

The
**CREDIT
UNION** *Way to Economic Betterment*

The **Bridge**

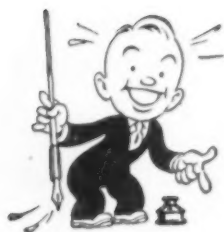


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official publication

September 1948

Credit Union National Association



The Way I See It

Bridge

Volume 13 SEPTEMBER, 1948 Number 7

Official Publication
Credit Union National Association
Madison 1, Wisconsin
E. K. WATKINS, Editor
CHAS. G. HYLAND, Business Manager

SUBSCRIPTIONS—\$1.50 A YEAR

To: CUNA MUTUAL INSURANCE SOCIETY
This will acknowledge the receipt of check of \$380.63.

Once again the wisdom of our Board of Directors in adopting Loan Insurance for our members has been demonstrated. I can assure you the widow was greatly relieved to know there would be no claim against her for payment of her husband's loan.

To: CUNA MUTUAL INSURANCE SOCIETY
This will acknowledge receipt of check in the amount of \$153.41.

Mrs. () has asked me to thank all those in the Credit Union movement for the kindness shown her. She was really surprised to learn that the shares were forthcoming to her.

To THE EDITOR:

Enclosed please find \$1.50 for renewal of my subscription of THE BRIDGE as I do not want to miss a single copy. I find so many helpful ideas in each issue. You may be interested to know that I bought a Cuna Bank while at the convention in Hamilton. Our members were so enthusiastic over them, that I ordered a dozen more and they are all gone. I am re-ordering for Christmas gifts. Several of the members leave their keys with me so they open the banks at the meetings and deposit the contents to their accounts. It is amazing how the savings grow.—Mrs. Norah E. Warren, Windsor, Ontario.

To THE EDITOR:

Some credit unions have reduced their interest rates and the equity of some of these rates is worthy of consideration.

The maximum rate allowed a credit union is 1% per month or 12% interest, a total cost of \$6.50 per \$100 loaned for one year, with periodic reducing payments.

Some of the reductions made by credit unions are as follows:

1. 9/10 of 1% per month.
2. 8/10 of 1% " "
3. 3/4 of 1% " "
4. 7/10 of 1% " "
5. 2/3 of 1% " "
6. 1/2 of 1% " "
7. \$3.00, \$4.00 or \$5.00 per \$100 added to or deducted from the loan.
8. A low rate on new cars and 1% on all other loans.
9. A low rate on all cars and 1% on all other loans.
10. 1% per month on all loans up to \$300 or \$500 and a lower rate on all loans over those amounts.
11. 1% per month on that portion of a loan under \$300 or \$500 and a lower rate on portion of loans over those amounts.

This last method is considered to be an equitable method of interest assessment, by a number of credit unionists.

We should consider the inequity of the interest schedule in No. 11, with a split rate over \$500. While it appears to be fair, it is a difficult schedule to justify, as it provides for a varied schedule of interest rate. For example, on loans for the amounts shown below the cost per \$100 total cost, and percentage interest charge would be:

See Figure 1.

A varied interest rate with lower cost to the higher dollar borrower is the practice of the money lenders we criticize.

If a lower rate of interest is necessary the reduced rate should apply on all loans to all borrowers.

A reduced rate on a class of loans, or on loans with certain types of security or on a dollar value destroys the philosophy of equity as exemplified by our policy of one member one vote, regardless of the amount of deposits.

(Continued on page 22)

\$ 100	Cost per \$100	\$6.50	Total	Cost 1 year	\$ 6.50	%	Rate	12%
200	"	"	6.50	"	"	"	"	12%
300	"	"	6.50	"	"	"	"	12%
500	"	"	6.50	"	"	"	"	12%
600	"	"	5.96	"	"	"	"	10½%
700	"	"	5.57	"	"	"	"	10%
800	"	"	5.30	"	"	"	"	9½%
900	"	"	5.06	"	"	"	"	9¼%
1000	"	"	4.97	"	"	"	"	9%
1500	"	"	4.33	"	"	"	"	8%

Figure 1

CUNA
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BRIDGE

The New Regulation "W"

By Thomas W. Doig

IN accordance with recent Congressional action Regulation W will be with us again effective on the 20th day of September. I imagine each credit union will be furnished a copy of the Regulation by the Board of Governors of the Federal Reserve Bank.

The Regulation will:

- (1) Govern all installment lenders.
- (2) Govern any installment loan in an amount of \$5000 or less.
- (3) The Regulation does not cover single payment loans.

It will be necessary for each credit union to register within 60 days after September 20 with the Federal Reserve Bank or any branch thereof in the district in which the credit union is located, on a form obtainable from any Federal Reserve Bank or branch.

The Supplement to Regulation W reads as follows:

"Supplement to Regulation W
Effective September 20, 1948

"Part 1. LISTED ARTICLES, DOWN PAYMENTS, LOAN VALUES.—For the purpose of Regulation W, the following articles, whether new or used, are "listed articles," and the following required down payments and maximum loan values are prescribed (such down payments and loan values to be calculated as specified in Parts 4 and 5 of this Supplement); but NO ARTICLE HAVING A CASH PRICE OF LESS THAN \$50.00 shall be considered a listed article:

Group A—33½ PER CENT MINIMUM DOWN PAYMENT, 66½ PER CENT MAXIMUM LOAN VALUE:

1. Automobiles (passenger cars designed for the purpose of transporting less than 10 passengers, including taxicabs).

Group B—20 PER CENT MINIMUM DOWN PAYMENT, 80 PER CENT MAXIMUM LOAN VALUE:

1. Cooking stoves and ranges, designed for household use.
2. Dishwashers, mechanical, designed for household use.
3. Ironers designed for household use.
4. Refrigerators, mechanical, of less than 12 cubic feet rated storage capacity (including food freezers).
5. Washing machines designed for household use.

6. Combination units incorporating any listed article in the foregoing classification of this Group B.
7. Air conditioners, room unit.
8. Radio or television receiving sets, phonographs, or combinations.
9. Sewing machines designed for household use.
10. Suction cleaners designed for household use.
11. Furniture, household, (including ice refrigerators, bed springs, mattresses and lamps); and floor coverings, soft surface.

"Part 2. MATURITIES.—The maximum maturity for all listed articles and for unclassified installment loans is 15 months in case the extension of credit is in a principal amount of 1,000 or less and 18 months in case the extension of credit is in a principal amount of more than \$1,000, except that when such principal amount is more than \$1,000 the installment payments shall not be less than \$70 per month.

"Part 3. REFINANCING PURSUANT TO STATEMENT OF CHANGED CONDITIONS. — The maximum maturity of any refinancing pursuant to a Statement of Changed Conditions as specified in section 5 (b) shall be 20 months.

"Part 4. CALCULATION OF DOWN PAYMENTS FOR AUTOMOBILES.—The maximum loan value of any automobile shall be the specified percentage of the cash price or of the 'appraisal guide value', whichever is lower, and the required down payment shall be the difference between the cash price and the maximum loan value as so calculated. Such required down payment in the case of an automobile may be obtained in the form of cash, trade-in, or both.

"'Appraisal guide value' means the estimated average retail value as stated in the current edition of any regularly published automobile appraisal guide that the Board designates for this purpose for use in the territory in which such automobile is sold, plus any applicable sales taxes. Information as to the guide or guides designated for any given territory may be obtained from any Federal Reserve Bank or branch.

"Part 5. CALCULATION OF DOWN PAYMENTS FOR ARTICLES IN GROUP B.—If any article is traded in by the purchaser on an article listed in Group B, the required down pay-



Thomas W. Borg, Managing Director
Credit Union National Association

ment and the maximum loan value shall be the specified percentage of the net price of the article after deducting from the cash price the amount allowed for the trade-in; and such down payment shall be obtained in cash in addition to the trade-in."

It will again be necessary for the credit union to obtain from each borrower a "Statement of Borrower" covering each loan of \$5000 or less which is in excess of \$50.

The terms of repayment on loans to finance the purchase of listed articles shall be in accordance with terms set forth in the foregoing Supplement to the Regulation.

An unclassified loan—that is, a loan for some purpose other than to finance the purchase of a listed article, may be made for a period of 15 months in case the loan is in an amount of \$1000 or less, and for 18 months if the amount of the loan is in excess of \$1000, except that when the loan is in an amount in excess of \$1000 the installment payments shall not be less than \$70 per month. The following loans are exempt:

- (1) Business or agricultural loans.
- (2) Credit to dealers and certain salesmen.
- (3) Credit to governmental agencies, religious institutions, and so forth.
- (4) Credits under Government rehabilitation and readjustment programs.
- (5) Loans to pay fire and casualty insurance premiums.
- (6) Credit for purchasing securities.
- (7) Real Estate and home improvement loans.
- (8) Loans to meet medical expenses, and so forth.
- (9) Disaster credits.

More detailed information will be published in THE BRIDGE later.

It's a Hap-Hap-Hap-py Day

WE'VE come a long way, brothers. There was a time when a man could be hanged for stealing a shilling. If he had stolen a horse there wasn't even the formality of a trial. Nowadays, capital punishment is a last resort: a man has to be caught with the smoking revolver still hot in his hand or with his boots drenched in the blood of his victim before the noose really tightens. Even under the gravest circumstances there is always the possibility of being able to plead insanity. As the time of execution nears, national horror mounts daily and editorials pro and con about capital punishment pour from the press. When the furor dies down grisly articles appear in newspapers and magazines describing the death-cell, the last meal of condemned men, the occasional inexplicable accidents that have caused hangings to be deferred or cancelled, the routine of the electric chair—the fastening of the electrodes and the smell of seared flesh—all combine to present the death penalty as a gruesome relic of a more barbarous age.

Yes, it's much harder to die nowadays. Special extracts of vitamin E, can, in 80% of cases, relieve a heart that is pumping feebly and cause clotted blood that has accumulated in nearly-gangrenous legs to circulate freely again.

It's amazing how tender we are with one another. How willingly we give until it hurts when someone is cleaned out because of a disastrous fire, how we rallied round with Bundles for Britain, how we support Cancer funds, educational drives and Aid for crippled children. When we're not killing people in a large impersonal way, as with a shooting war, we're remarkably nice to them.

In addition to making it hard to die, we've made it very attractive to live. It's a lovely, lovely world. You can get practically anything you want, for a price. Time was when it was considered bad form to borrow for consumer uses. It was all right to borrow for purposes of exploration and for purposes of war to destroy life. The idea was that these enterprises would bring into the hands of the borrower possessions with which he could repay his debt. In the course of a couple of thousand years, however, we have learned that loans to promote war, which destroys life and property, are sometimes unprofitable insofar as society as a whole is concerned. Also we have learned that loans for purposes of production, promotion of trade and exploration are not always sound.

In short, we have come to realize that repayment depends upon the character of the borrower and not on the purpose of the loan.

Up until 100 years ago the money-lenders were convinced that their chances of getting their money back were slender, so slender that they charged excessively high rates. These rates rendered the loan practically impossible of repayment.

Low-cost consumer credit makes available to a majority of the people the necessities as well as some of the luxuries of life. It lifts the standard of living of the people as a whole and makes the world a better place to live in. As well as adding years to your life it will add life to your years! If you crave a washing-machine, or a garage, or education for your children, take advantage of low cost consumer credit. Why not pay cash for the article and enjoy it while you repay the loan over a period? Consumer credit is not only respectable but highly desirable; while mass-production and widespread economical distribution will place goods on the market, unless we can have low-cost credit they will never be ours. This credit purchasing power establishes a demand for labor which produces additional wealth. So, like I say, it's a wonderful world.—THE MARITIME CO-OPERATOR.

Constitutional Liberty

IN HIS MATCHLESS EULOGY on General Washington in 1832, Daniel Webster closed with these words:

"Other misfortunes may be borne, or their effects overcome. If disastrous war should sweep our commerce from the ocean, another generation might renew it, if it exhaust our treasury, future industry may replenish it; if it desolate and lay waste our fields, still, under a new cultivation, they will grow green again, and ripen to future harvests.

"It were but a trifle even if the walls of yonder Capitol were to crumble, if its lofty pillars should fall, and its gorgeous decorations be all covered by the dust of the valley. All these may be rebuilt.

"But who shall reconstruct the fabric of demolished government?

"Who shall rear again the well-proportioned columns of constitutional liberty?

"Who shall frame together the skillful architecture which unites national sovereignty with State rights, individual security, and Public prosperity?

"No, if these columns fall, they will be raised not again. Like the Coliseum

and the Parthenon, they will be destined to a mournful and melancholy immortality. Bitterer tears, however, will flow over them than were ever shed over the monuments of Roman or Grecian art; for they will be the monuments of a more glorious edifice than Greece or Rome ever saw, the edifice of constitutional American liberty."—CHATTER by Straus.

Too Realistic

Mr. Henpeck: "Do you think you can make a good portrait of my wife?"

Artist: "My friend, I can make it so life-like you will jump every time you see it."

Selective

"What is the best thing to do when the brakes of one's car give way?" asked the motorist.

"Hit something cheap."

"Get in the Swing"

WHAT THEY SAY about the POP Program—

"Congratulations—you may depend on 100% cooperation from Missouri."—Lee J. O'Brien, M.D., Missouri

"Credit Union Day has our sincere approval. We will do our utmost to put this plan across."—Wm. W. Pratt, Exec. Dir., Pennsylvania

"Your POP Program should certainly prove an asset to the movement and you can count on the Denver Chapter to do all we can toward its success."—Bob Steinke, Denver, Colo.

"Our League will do everything possible to assist in promoting our Centennial celebration."—Fabian C. Monroe, M.D., Wisconsin

"Everything will be done in the state of Kentucky to make this event a huge success."—W. L. Vandenburg, M.D., Kentucky

What They're Doing

"This office will contact our chapters and will also write to every credit union in the state."—Fabian C. Monroe, M.D., Wisconsin

"—in our rural areas there are many Credit Unions, not connected with a chapter, that will undoubtedly want to hold a celebration. Could I have extra copies?"—G. A. Swales, Sec., Credit Union League of Alberta

"Several chapters (in the McKeesport area) will combine their efforts and we hope to have 300 or more persons present."—Wm. W. Pratt, Exec. Dir., Pennsylvania

"We have already made the following arrangements: Guest speaker—Mr. Barry Bingham, Pres., Courier Journal & Louisville Times; Toastmaster—Mr. C. Hunter Green, Dist. Mgr., Souther Bell Tel. & Tel. Co."—Louisville Credit Union Chapter

Quarterly Report Shows 110 Net Gain

AT the quarterly meeting of the Executive Committee held on August 14 and 15 at the Hotel New Yorker in New York City, Thomas W. Doig reported one hundred ten net gain in the number of credit unions since March 1 (the beginning of our official year). We have organized 320 credit unions this year compared to 216 for the same period last year, and liquidations were reduced to 210 from 285 for the same period the previous year. We are 60 behind the quota for 1000 new credit unions for this year.

As requested a study of 50 recent credit union liquidations was made. Mr. Orchard of the Federal Credit Union Section has furnished statistics. The credit unions cover 26 states and the reasons for liquidation are as follows:

- | | | |
|---|-----|-----|
| 1. Lack of interest on part of members and officials..... | 24— | 48% |
| 2. Attitude of officials of parent company..... | 8— | 16% |
| 3. Dissolution of group comprising membership..... | 6— | 12% |
| 4. Reduction of number of employees in parent group..... | 5— | 10% |
| 5. To organize under state law..... | 1— | 2% |
| 6. Bank now makes loans to employees | — | |
| (Credit Union Comprised of bank employees) | | |
| 7. Rapid turnover of employees (Teachers Group)..... | 1— | 2% |
| 8. Inability to replace treasurer..... | 1— | 2% |
| 9. Personnel Transferred | 1— | 2% |
| 10. Never commenced doing business..... | 1— | 2% |
| 11. Involuntary liquidation | 1— | 2% |
| | 50— | 100 |

The Cuna Insurance Research Division had \$24,619,950 coverage in force as of June 30, 1948. This is approximately $\frac{1}{2}$ more than on August 31, 1945. The department is now writing bonds for 4,575 credit unions.

Though THE BRIDGE rate was increased to \$1.50 with the May issue, the subscription list is holding steady.

The St. Francis Xavier University's Alumni Director, Rev. F. J. Smythe in Antigonish, Nova Scotia, has successfully launched a program to in-

sure the lives of the 1948 graduating class with CUNA Mutual's Ordinary Life Contracts. Premiums are paid from the Alumni funds accumulated from the dues collected. The University is the beneficiary on all contracts.

To date fifty-two contracts have been issued for an aggregate total of approximately \$40,000. After twenty years the guaranteed paid-up insurance value of these contracts will exceed \$20,000 if all the original contracts are then in force.

The Executive Committee Voted

1. To hold the next National Board meeting in Houston, Texas, May 15 and 16.
2. To proceed with the building of Filene House with the building cost limited to \$250,000.
3. To affiliate with the Cooperative Union of Canada on a fraternal basis.
4. To authorize management to negotiate a hospitalization contract with the employees on a participating

basis, effective September 1, 1948 or the earliest possible date thereafter.

Cuna Mutual Insurance Society

A 51½ million increase in coverage during the first 6 months of 1948 was reported at the meeting of the Cuna Mutual Board of Directors by Mr. Doig. The volume of coverage in force June 30, 1948 was 241,604,233. Sixty-nine new Life Savings Insurance contracts were issued to Federal Credit Unions, since the recent ruling by the supervisory authorities permits its use.

Cuna Supply Cooperative

Mr. Doig in his report to the Administrative Committee says, "Since we last met a leader in our group has been taken from us. We all loved John Suominen. We shall all sorely miss him. When a soldier carrying his flag is stricken, others grasp it and endeavor to carry it forward. Let us strive, you and I, to carry on as unselfishly and courageously as John did."

The Administrative Committee voted the following:

1. To appoint Bert Beales assistant secretary-treasurer to fill a new position created at the annual meeting.
2. To apply for membership in the Cooperative Union of Canada.

New York City

New York City is the big town, and for a newcomer, it has its distinctions. The comment, "There are a lot of brick and stone piled up," was repeated naturally, and a lot of them



In attendance at the quarterly meetings of the Cuna Executive Committee, Cuna Mutual Board of Directors, and Cuna Supply Administrative Committee were: Marion Gregory, J. D. Nelson MacDonald, John L. Moore, H. M. Cawley, Leonard R. Nixon, Harry C. Lash, William P. Mallard, Moses C. Davis, William Reid, Joseph S. DeRamus, Gurden P. Faw, Thomas W. Doig, R. A. West, Harold Moses, E. J. Christoph, George D. Parlett, W. A. Dunkin, Thomas M. Malloy, Leonard Mitchell, William W. Pratt, Ruth Ryan, M. A. Pottiger, and J. W. Burns.

go up pretty high, and some of them form beautiful buildings. Broadway has the lights and crowds at night and by day Fifth Avenue has the trade at high class stores.

The New York State Credit Union League was working with vigor to get out current credit union mailings, and meeting a wide variety of credit union inquiries by phone and mail.

A visit to the Municipal Employees Credit Union had its innovations. The manager of the credit union located a job for one of the members while waiting in his office. The extension room for loan applications was full, and the loan collection teller was counting money, inserting the repayment book in a receipt machine which automatically receipted the stub and perforated account record in one operation and the next man steps up to pay. The one loan collector on duty seemed to handle the payments almost as fast as he could count the money for each payment.

From the pictures you will note we found a credit union welcome at the Hotel New Yorker, where the meetings were held.



It was a sort of welcome to see in the busy lobby of the hotel, an employee looking at his credit union pass book. We ask Harry T. Smith to re-enact the scene.



John Carrey, the vice-president of the Hotel New Yorker Employees Credit Union, was introduced to the joint meeting of the Cuna bodies.

Federal Credit Union Supervision Transferred

**Claude Orchard Named Director
and Joseph Blomgren Deputy-Director**

ON July 29 the supervision of Federal Credit Unions was transferred to the Federal Security Agency by the terms of Public Law 813-80th Congress (S.2225), and will operate as a Bureau under the Social Security Administration.

Oscar R. Ewing said, "It is a pleasure to welcome you (Federal Credit Unions) to the Federal Security Agency. The work which you are doing as leaders of your credit unions helps people to help themselves which is precisely the aim of other segments of our agency."

"Mr. Claude R. Orchard has been appointed Director of the Bureau of Federal Credit Unions and Mr. Joseph E. Blomgren as Deputy Director."

When the Federal Credit Union section was set up in 1934, Claude R. Orchard was appointed as its director. The recent appointment of Mr. Orchard was not of a section but of a section grown up to bureau status.

Mr. Orchard began his credit union activity in 1930, when he joined with Tom Doig to organize the first credit union in the meat packing industry. This was followed by his aiding the formation of 100 credit unions among the employees of Armour and Company. He took an active part in the organizational meeting of the Credit Union National Association in 1934 and was a member of its first Executive Committee, and one of the incorporators of Cuna Mutual Insurance Society.

Mr. Joseph E. Blomgren, the present deputy director of the Federal Credit Union Bureau, became the treasurer of the School Service Credit Union in 1932. He was appointed as Investigator of the Federal Credit Union Section in 1936 after serving six years as a high school principal and six years as office and advertising manager of a book and stationery company. In January 1937 there were eleven charters issued to credit unions organized by Mr. Blomgren. He has served as principal assistant to Mr. Orchard since 1943.

The Federal Security Agency

The Federal Security Agency was created in 1939 by order of President Roosevelt under the Reorganization Act of Congress. Originally it grouped



Oscar Ross Ewing, Administrator Federal Security Agency

together the Office of Education, Public Health Service, Social Security Board, United States Employment Service, and some that have since been liquidated. Other government functions which relate to social and economic security, educational opportunity, and the health of the citizens of the nation—have been added.

Oscar Ross Ewing, was appointed administrator of the Federal Security Agency in August of 1947. He was born in Indiana and is a graduate of Indiana University and Harvard. He has served as a professor of law at the University of Iowa; counsel for railroads; captain in the Army, practicing attorney associated with Charles Evans Hughes, and assistant Chairman of the Democratic National Committee.

Social Security Administration

Arthur J. Altmeyer is commissioner of the Social Security Administration, which is one of five administrative divisions of the agency. He is a native of Wisconsin and received the degrees of doctor of philosophy and doctor of law from the University of Wisconsin. He entered government service in 1933 as chief of the compliance division of the National Recovery Administration, became chairman of the Social Security Board, and has served, and has been appointed to many committees

and as representative of the government many times.

Comments By Mr. Altmeyer

Mr. Altmeyer in his letter of welcome said:

"It is a pleasure indeed to welcome you along with all of the other members of the Bureau of Federal Credit Unions to the Federal Security Agency and more particularly to the Social Security Administration of which you have today become an important part.

"Federal credit unions are now within the reach of millions of people. Through the establishment and operation of these institutions you are helping to make available a much needed thrift and credit service. It is my belief that you are coming into an agency where everyone will readily understand your aims and purposes and be eager to assist you.

In support of this belief I submit to you the following excerpt from an official statement prepared by the Administrator in 1947—"Grouped in the Federal Security Agency are those agencies of the Government the major purposes of which are to promote social and economic security, educational opportunity, and the health of the citizens of the nation."

"Federal credit unions promote social and economic security. They also furnish effective and convenient facilities for training in thrift which is most certainly a part of education. Peace of mind is an excellent tonic.

"All of the information which has reached me concerning the enthusiasm and devotion of the members of the Bureau of Federal Credit Unions make

me glad that you have joined us and I sincerely trust that your future will be happy and filled with the real satisfaction that comes with honest effort."

Vital Gains In 14 Years

The Federal Credit Union Act became effective June 26, 1934, "to establish a Federal Credit Union System, to establish a further market for securities of the United States and to make more available to people of small means credit for provident purposes through a national system of cooperative credit, thereby helping to stabilize the credit structure of the United States."

This Act defines a Federal credit Union as "a cooperative association organized in accordance with the provisions of this chapter for the purpose of promoting thrift among its members and creating a source of credit for provident or productive purposes."

The Federal Credit Union Act originally placed the responsibility for chartering and supervising the Federal credit unions on the Farm Credit Administration. By Executive Order of the President, Number 9148, of April 27, 1942, all of the functions, powers and duties of the Farm Credit Administration in regard to Federal Credit Unions were transferred to the Federal Deposit Insurance Corporation, effective May 16, 1942.

During the first few years following passage of the Federal Credit Union Act considerable effort was expended by the supervising agency to acquaint people with the law and with the goals it was intended to achieve. As a result, the merits of the credit union plan were quickly recognized and at the time of Pearl Harbor 4,784 Federal charters had been granted. This was at the rate of slightly more than 55 per month. New chartering activities were retarded during the war and as of December 31, 1947, a total of 5,617 charters had been issued with 3,857 Federal credit unions still in active operation.

The 3,857 operating Federal credit unions as of December 31, 1947, had assets of slightly more than \$210,000,000 and over 1,440,000 members. (See table attached showing progress made by Federal Credit Unions since 1935.) Nearly \$100,000,000 of the assets were loaned out to members for useful purposes as specified by the law. Average savings per member was approximately \$135. Federal credit unions operate in every State of the Union, the District of Columbia, and Hawaii. Applications are now on hand from the Panama Canal Zone and inquiries have been received from Alaska and Puerto Rico. Federal credit unions serve residents of small



Joseph E. Blomgren, Asst. Director
Bureau of Federal Credit Unions

communities, farmers, members of many church groups, lodge members, employees of Federal, State and Municipal governments, of schools, and of most of the different types of industries of the country.

Pennsylvania Goal

(The other leagues may be interested in the goal of Bill Pratt, the Executive Director of the Pennsylvania League, and want to do a little something about it. The following letter was sent to the credit union leaders of Pennsylvania.)

Will you help your League observe the 100th Anniversary of the formation of Credit Unions?

During April 117 new credit unions were reported in the United States and Canada. This is the first time 100 was exceeded in any month since September 1941.

The National Board at their recent meeting challenged the National staff to organize 100 credit unions. Several Leagues have set a goal of 100. WE HAVE A GOAL OF 100 OR MORE. We have 22 to date.

We would like to lick-the-pants-off every league. WILL YOU HELP?

All you need to do is furnish us with the name of the interested person in the prospect group, or if you wish have the enclosed application completed and send it to us.

NOW IS THE TIME TO BUILD A BETTER WORLD THRU CREDIT UNIONS.

Be A Builder—Bill Pratt, Executive Director.

COVER PICTURE

Mr. Claude R. Orchard, the Director of the Bureau of Federal Credit Unions.



Arthur J. Altmeyer, Commissioner,
Social Security Administration

THE J & L Steel Works Federal Credit Union located in Aliquippa, Penna., had a condition of "Delinquency" which was the result of lack of positive action over a period of years. There had been plenty of talk about delinquent loans but nothing had been done. Legal action had been considered but it was decided that this should be only the last resort. Collection agencies were also considered and rejected due to the prohibitive costs. Finally it was decided to create a "DELINQUENT LOAN COMMITTEE" composed of four officers of the Credit Union.

This committee was created in May, 1947 and their report to the annual meeting at the end of the year was nothing less than phenomenal.

Each member of this committee was given a letter on the official stationery of the Credit Union, signed by the officers of the Board of Directors and bearing the official seal. This letter identified the bearer as an authorized agent of the Board of Directors, and empowered them to make inquiries as to the borrowers' intentions, and make collections when possible.

Identification Letter

"To Whom It May Concern:

Clyde Byers has been appointed as a member of the Delinquent Loan Committee of the J & L Steel Works Federal Credit Union.

This letter is his authorization to take whatever steps he or the Committee deem necessary for the prompt collection of delinquent loans." The committee then composed three form letters, each one a little stronger than the other, to be sent to delinquent borrowers in rotation. The first letter brought very satisfactory results because a number of the loans had just been "neglected" by the borrower, and as soon as they discovered that someone besides the treasurer was concerned about them not making payments, they came in and resumed their regular payments to avoid any further embarrassment. The second and third letters were used only where personal contact could not be made and they got very little results.

The First Letter

"Our books show that a payment on your loan from the Credit Union was due on, and we are sorry that we have not heard from you up to this time.

We realize that this lapse may be due to an oversight on your part and will welcome a response to this notice.

We also realize that emergencies do arise, and we are willing to be quite lenient in such circumstances. You will find that the Credit Union offers a helping hand to members in need,

A Constructive Service For Delinquent Borrowers

**"Human Understanding Gained — Worth Far More Than Effort Expended,"
says Clyde Byers**

but, we must know the particulars of your situation.

It will be to your advantage to contact any member of the Board of Directors, or stop at Cartwrights Hardware Store on payday, and bring your payment up-to-date. At least give us an explanation, so that we can understand your particular problem."

Personal Visits

If there was no response from the first letter a personal call was made on the delinquent borrower, usually by a team of two from the committee. These personal contacts were made as socially as possible to avoid any unnecessary embarrassment, and produced amazing results. In a great majority of cases the cause of the delinquency was discovered and dissolved if possible, because it was due to a misunderstanding. The committee was never received antagonistically, rather in most cases a better feeling of friendship was established.

This committee did not hope to be 100% successful but the results for the first seven months of activity are fully reflected in the following report made to the annual meeting in January, 1948. The committee was handed 48 delinquent accounts amounting to approximately \$5000. In seven months the committee had made collections on 40 of these accounts, 8 of which were completely paid off and some degree of assurance that the other 32 would eventually be completed. Hope of collections on the other eight loans has not been abandoned, but simply will take a little more time.

About 35% of the original amount was collected, exclusive of interest, or about \$1800. If a collection agency had been retained to do this work at the usual rate of 50% the cost would have been \$900. The committee worked without compensation, with the exception of expenses and this program cost the Credit Union approximately \$30.

The DELINQUENT LOAN COMMITTEE has repeatedly reported to the Board of Directors that the experiences they have had during these personal contacts have been worth far more than any monetary value. They have seen with their own eyes how the "other half of the world" lives. One

man with a three year old loan, had made repeated promises to make regular small payments but never did. After the sixth contact and promise was fruitless he was threatened with court action. The day before his note was to have been filed, he called the chairman of the committee and stated that the full amount had been mailed the previous day. The full amount was received two days later—but the money order was dated and postmarked the day after the phone call was made.

In another case a man with a six year old military loan was contacted. He admitted borrowing the money but claimed that a former member of the Board of Directors had told him that the balance had been written off as a "bad loan." The committee silently agreed that it was a bad loan, but convinced him that the obligation was still his. After that, he made regular payments and his loan is now paid off.

"One account for a small amount which we investigated disclosed the fact that this man, although a steady worker, had a daughter who required weekly treatments for a malignant disease. These treatments were costly and took a big percentage of his earnings. He is making an effort to pay one or two dollars a month, but his account can remain delinquent as far as this committee is concerned. No pressure will ever be exerted. If the account is never cleared, it will be written off from our reserve.

Another account for a small amount was cleared up on the second contact when it was explained that the cost of collection would be added, almost doubling the amount due.

Another man had promised on the telephone to stop in and take care of a five dollar balance, but failed to do so. We finally located his home about 3 miles out on a country road and the night we went to see him there was about six inches of snow. After a hectic half-hour drive we finally knocked on his door and explained our mission. He turned to his wife who was sitting in another room and said, "Mary, is there five dollars in the house?" There was, and we got it.

Another account which had been a military loan was another type of per-

sonal problem which resulted in the Credit Union having a booster instead of a knocker. When the facts were presented, the man claimed that he had sent money to his mother while he was in the service and instructed her to pay his loan, and he was completely surprised that it had not been taken care of. His interest from the time of his discharge amounted to approximately twelve dollars, and we told him that this amount would be cut in half if he would make immediate arrangements to pay, because it was partly our fault that he had not been contacted before. He sat down and wrote us a check for the full amount and expressed his gratitude for our method of approach."

There are two other loans of \$100 each which the committee would like to contact, if the Board of Directors will O.K. their expenses. One is in California and the other is in Florida.

Obtained New Understanding

"The value of our experiences are worth much more than any monetary value. The members of this committee are very human and would rather show sympathy in extreme cases, rather than hard-hearted collection methods. We have found that a sympathetic approach as expressed in our first letter is much more effective on the first contact than a belligerent attitude. We have a firm conviction that an attempt to reach a common understanding of each personal problem strikes a responsive chord, and in most cases brings out some effort on the part of the responsible party. Threats of drastic action are never made unless the person contacted shows a definite attitude of contempt for our efforts. In which case we would not hesitate to take legal action after explaining the implications and the additional costs involved.

Our committee may be unique in the fact that they face the experience of each new contact with confidence. A feeling exists that we are actually helping someone who is in trouble, to ease his worries by understanding his particular problem and offering a helping hand. This feeling of confidence is an asset to each person because it continues to be an invaluable part of his personality and can never be taken away from him.

Co-op Credit In India

REV. E. DEMEULDER, missionary in India for the past 20 years, recently addressed the International Students' Club and the staff of the St. F. X. Extension Department.

Reverend DeMeulder has been

closely associated with co-operative development in India during his tenure, particularly with the co-operative credit organization which flourishes in his area.

Each village, stated Reverend DeMeulder, is taken as a unit in the credit organization. There are 700 of these units, which send representatives to 33 "circles." These, in turn, send representatives to the "central."

At least 50,000 loans have been granted through this organization, which is something like a co-operative bank.

Perhaps the greatest service the credit organization performs is the rescuing of farms which are to be sold for taxes.

The Rice Bank

A rather unusual type of co-op credit institution is the rice-bank. When the crop is successful 200 or so farmers make a practice of putting 100 bags of rice in a central deposit. Perhaps by seeding-time someone is very much in need of rice, so he borrows it from the "rice-bank." When harvest time comes again the loan is repaid with more rice as interest. Many villages have built up real wealth in this manner.

In conclusion, Reverend DeMeulder urged his listeners to publicize what is being done co-operatively in the Maritimes, and to welcome Indian students when they come here to learn. He offered another axiom to replace "East is East and West is West and never the twain shall meet" "East and West are but alternate beats of the same heart."—MARITIME COOPERATOR.

Worth-While Lessons

Learn to laugh. A good laugh is better than medicine.

Learn to tend strictly to your own business.

Learn to tell a story. A well-told story is as welcome as a sunbeam in a sick room.

Learn the art of saying kind and encouraging things.

Learn to avoid all ill-natured remarks and everything likely to create friction.

Learn to keep your troubles to yourself. The world is too busy to care for your ills and sorrows.

Learn to stop grumbling. If you cannot see any good in the world, keep the bad to yourself.

Learn to hide your aches and pains under a pleasant smile. No one cares whether you have the earache, headache, or rheumatism.

Learn to greet your friends with a smile. They carry too many frowns in

their own hearts to be bothered with any of yours.—OAK BAY CREDIT UNION NEWS BULLETIN.

Spare Cash

"I give up," Florence Lee, office manager for the Phoenix Catholic Credit Union, exclaimed despairingly. "This job calls for a magician, not a bookkeeper!"

Before her were two slips of paper, one showing the total of loans requested, the other how much money was on deposit for lending. She gazed despondently at the discrepancy in the figures. Then she looked up at the Credit Union president, by a mere coincidence also her husband.

"Eddie," she said firmly, "you've got to do something. After all, everybody knows you can't get something from nothing. When none of the members make deposits, it doesn't matter what the emergency, we can't make a loan!" She glared at the papers before her, then added: "Wanting to help doesn't make a smitch of difference—it's up to you to DO something!"

"Yes, dear," said Mr. Lee, a trifle blankly. "Anything you say, dear! What would you suggest?"

"Well, why don't you make a deposit? That's what we need—more deposits! How about putting in \$50 this week?"

Mr. Lee gazed at her thoughtfully for a minute. Then he nodded slowly. "Okay," he said, "on one condition: You run the house for the rest of the month on the \$5 salary we pay you. Is it a deal?"

Mrs. Lee wavered, torn between conflicting loyalties. At last she sighed. "Well, then, how about writing an article for TGA Notes? I'll bet if the fellows and gals knew how serious the situation was, they'd come to the rescue! A dollar from each of them would sure help with one or two emergencies!"

"Right," cried Mr. Lee, hitching a chair toward his typewriter. "That's a fine idea! And here, maybe this'll start the ball rolling." He tossed two 5-cent pieces on his wife's ledger-covered desk, then reached for a sheet of copy paper.

"Thanks, pal," grinned his wife.

"Oh, and don't forget to tell them all about our nice, cool office at 224 East Taylor! Be sure and say it's on the corner of Taylor and Third Street."

"Yes, dear," responded Mr. Lee again, this time with a twinkle in his eye. "I'll tell 'em you said to come up 'n see you some time!"

Why don't YOU do that?—T.G.A. Notes

PETE SMITH walked by my desk at a leisurely pace yesterday, and since Pete is so active in credit union affairs, I decided to ask him about it. "Say, Pete," I said, "meant to ask you about this new POP Program; what's it all about?"

"Have you been reading *THE BRIDGE*?" asked Pete. "It tells in the June issue that the Board of Directors of the Credit Union National Association decided on it at their annual meeting—that was in May."

"Now that you mention it I do remember something like that—but what does POP stand for? What does it mean? You're the Chapter President; give me the lowdown on it. Must be a pretty big thing, the way it's written up."

"It is a pretty big thing, Bill, and it's going to have a tremendous effect on the credit union movement as a whole—in fact—but," Pete laughed, "I'm getting ahead of myself. Guess I'm sort of steamed up about it, so I just naturally start giving a speech whenever anybody is willing to listen."

What POP Means

"To start at the beginning though, and to answer your first question in a few words, POP stands for *Public relations, Organization and Publicity*—POP for short. It's a program to develop the credit union movement and to spread the idea to more people, so everybody will know about credit unions, and accept them as an important part of our way of life."

"Well, that's pretty high-sounding and idealistic. Who got this idea in the first place?"

"Why, I don't know, Bill—lots of people, really. I myself have heard a good many credit union members say that it is too bad more folks don't know what credit unions are," Pete said. "It looks as though, as the need for a public relations plan grew, more and more people saw that need until now, we're ready to go ahead and do something about it, with the POP Program."

Why We Need It

"Need for the POP program—I don't see that, Pete. Our credit union here in the shop is doing all right, getting new members steadily, pays a good dividend. The people around here seem contented with it. Why not just let nature take its course? That's the way we've done in the past."

"That's where you're dead wrong, Bill. We haven't just let nature take its course in the past. If you know anything about the history of credit unions, you must realize what a lot of hard work was put into building the movement. That's how we got where we are today. Schultze-Delitsch,

The POP Program What's It All About?

Raiffeisen, DesJardins—those men almost sweat blood to give us what we've got today. They didn't let nature take its course—if they did we wouldn't have any credit union here today!"

Pete was a little riled—the muscles stood out in his neck and he got red in the face, and his voice rose as he went on: "—and we would all have to ask relatives and friends, or go to a loan shark, when we needed a little money in a hurry. *They* did their part, *now* the job is up to us! *That's* why we need the POP program!"

"Take it easy, Pete, I didn't mean we shouldn't do our part. Sure, I'm grateful for the wonderful job those first credit union people did, but what I mean is, isn't it enough for us just to do our best right here in our own credit union?—and because it's a good idea, it will just naturally become well-known and accepted."

"I wish you were right, Bill, but look at it this way: Times have changed; we can't continue to operate in the same old way. Even Planeville is a big town now—maybe once you could have reached everybody in town by just telling your neighbor about it, but not any more. People in Planeville will never know the truth about Credit Unions unless we tell them in ways that will reach them—through press, radio, magazines, movies. We can't do that here in our credit union. We don't have the personnel, the equipment or the money to do it. The way to do it economically and efficiently is to work with other credit unions, and all do the job together, through the POP Program."

"Well, what you say makes sense, Pete. I guess I'm still a little fuzzy about just what is involved, though. POP stands for Public relations, Organization and Publicity, you said. But to tell the truth, I don't know exactly what you mean by those terms. Just what is public relations?"

"That's a good question, Bill. In fact, I was wondering that myself when I first heard about the program, and the other day I did a little reading about it."

What Is Public Relations

"Say you're a company or an institution—public relations means how you stand with people in general: what they think of *you*, and how you act to-

ward *them*—it's a two-way proposition. You have to have policies that are in the public interest, and let the public know what they are, if you want a good reputation. Of course, if you want to keep their good will, you must continue to develop and perfect your policies in ways that are beneficial to people. Now, in the case of credit unions, obviously our policies are for the good of people."

"That's what a public relations program is for: to get and hold the good will of the people on our own merits, by telling them the truth, and by continuing to increase our service to our fellowmen."

"Another thing, Bill, we're missing a good bet if we don't see to it that our community leaders know what credit unions are doing. That's another reason for the public relations program."

"You mean people like Oscar Williams, our new councilman?"

"Exactly, Bill."

"And Ed Moore, the head of the wiremakers local? I read a piece in the paper last night about how he gave a talk, and said his union's main interest was in seeing that the family was financially secure. He'd be interested in credit unions.—Don't think they have one out there at his plant, either.—Say, I can see this POP Program has got something, I'm beginning to see how public relations would help the credit union in every way!"

Organization

"Organization is fairly clear—guess that just means organizing new credit unions, doesn't it?"

"Sure, that's part of it, but it's not the whole story. Organization would also cover helping our existing credit unions develop so they could give more service. And of course it would mean a real drive to get every credit union to join the league. You know the leagues do a lot to make our work effective—they're the "watchdogs" of our rights, too. And of course through the league a credit union is a member of the Credit Union National Association, which supplies it with more helps, materials and information, and the benefits of the CUNA Mutual Insurance Society. That's where we get our Loan Protection and Life Savings—we wouldn't be eligible for them

unless we belonged to the league and the National Association—and lots of credit unions still don't belong."

"Well, I can see that ORGANIZATION is a bigger and more complicated job than I had thought, Pete. Now, just one more thing—where does publicity fit in? Doesn't Public Relations mean the same thing?"

Publicity

"Not by a long shot, Bill. Granted they overlap, but they're different things. You might say that publicity is often a tool used by public relations to do its job—for instance, you make known, or publicize your policies and activities by sending news to the papers, getting radio interviews, sending direct letters to the people you want to reach, publishing informational material, and so on. See what I mean?—and how it ties in with public relations? The POP Program will, through the use of the most modern means of research and communication, carry on all these activities we've been discussing."

"Jeepers, I didn't realize this whole POP Program was so far reaching and had so many angles. Do you really think we can do all that?"

"Sure we can, Bill. Of course it's not going to materialize like a rabbit out of a hat. It will take time and work and money before we see all of these results. This is a long-range program, which will help us more every year."

How We'll Do It

"Now you've got me all enthused too; but speaking of money—just how will we finance this program and keep it going? It's a pretty big project if it's anything like you describe."

"That's where the Credit Union Dinner comes in. On Credit Union Day each year—the third Thursday of October, we're going to hold dinners in every chapter area. At these dinners a collection will be made of strictly voluntary contributions—give what you can and want to, to the POP Fund. That Fund will be established this year, our Centennial, at the first annual Credit Union Day Dinners, on October 21st.

"It's going to be some celebration—just imagine credit union people all over the continent—way up in Canada—and down in Florida—gathered together in every credit union town, to observe our 100th Anniversary, and to make sure our progress continues during the next 100 years."

"Sounds colossal, as they say in Hollywood, Pete. By the way, what kind of a program will we have at these dinners?"

"Each chapter will plan its own program, Bill, and have the kind of entertainment its people like. Speaking

for our chapter, Bill, I can guarantee you a good time. Skeets and the boys are going to put on a skit and we are getting together a chorus of pretty girls to sing the Credit Union Song—but hey—I'm not supposed to give it all away—come to the dinner and find out!"

Poster-a-Month

Service Starts October 1

THIS NEW credit union poster subscription service, advertised for the first time in last month's BRIDGE, is being inaugurated by Cuna Supply Cooperative, as a part of its new publications program. That program in turn is one step in the general post-war credit union expansion program.

The first Poster-a-month (see page 21) will be mailed so that early subscribers may display theirs at the first of Credit Union Month (October).

This poster subscription service, like the whole publications program being shaped up, is based on the advertising truism that ideas must be repeated constantly but in frequently new ways, if they are to obtain the continuous attention of their public. This is particularly true of posters. They soon become soiled and faded, and often soon face the competition of fresher posters and bulletins posted nearby, if they are not indeed overlapped by these newcomers.

Not only will the new service make a steady flow of fresh new posters available, it will also make it easy for credit union leaders to see that they receive their copies promptly. They need place only one order a year for as many posters each month as they can put into the service of their credit unions.

The fact that this monthly publication of a new poster requires limited editions of each poster, in addition to generally rising costs, makes it necessary to increase the charge per poster for this Cuna Supply series. However the cost is still so low that all credit unions should have no trouble in subscribing for as many as they can well use each month.

In this regard subscribers are reminded again of the importance of repetition in advertising. The more spaces they can find to place these posters where their members and potential members pass by, the greater the impression each poster will make.

It should of course be admitted, and stressed, that posters alone will not build up a credit union's business, or the loyalty of its member-patrons. That is true of our whole advertising program. In fact, an advertising program can do no more than call attention to or remind of a service or product.

These monthly posters will help the credit union inform and remind its field of membership of its prompt, friendly, economical thrift and loan service. With such service to offer, they cannot afford not to advertise it. In fact they have a moral obligation to do all they can, to use every sound measure possible, in line with best modern techniques, to give maximum service to a maximum number of people. Well designed and well presented, frequently changed posters are one of the proved methods of presenting such service most effectively.

Whither Bound?

ACCORDING TO A SURVEY by analysts of the Federal Reserve Board, at least 1 out of every 4 American families probably will spend more than they make in 1948.

The survey showed the "general financial status of consumers" is still strong but that it developed in 1947 "the first signs of weakening."

Among those signs were these significant items:

Those overspending income last year included large numbers in the \$3000-to-\$5000 a year income class, whereas overspending in 1946 was concentrated in the under-\$3000 class.

There was a "particularly significant rise" in the number of over-spenders with annual incomes running up to \$7500.

Also, about 3,000,000 more families or individuals completely cashed out their holdings of savings bonds.

Out of 17,000,000 persons buying furniture, refrigerators, radios, washing machines, ranges and other appliances, 9,000,000 did so on the installment plan—nearly twice the number who did so in 1946.

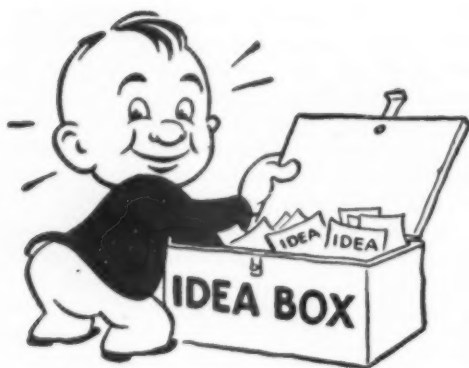
On the other hand, consumer incomes as a whole rose more than 10 per cent last year.

"Almost 50 per cent of all spending units (family groups or individuals) reported higher money incomes in 1947 than in 1946, but a considerable number felt that because of the higher cost of living they were worse off financially at the end of the year than at the beginning," the report said.

"About 30 per cent had substantially the same money income in 1947 as in 1946, and about 20 per cent experienced income declines."

Apart from the personal significance of the above survey, it emphasizes the reasons for the growing resistance to the purchase of additional life insurance and the increasing number of cancellations. The pinch of high prices and unsatisfied consumer's wants and needs results inevitably in less income available for life insurance protection.

—SAVINGS BANK LIFE INSURANCE NEWS



Idea

Exchange

Here are new and tried publicity ideas. Ideas in the mind of the member is the first step to his participation in the credit union. "Credit union know-how" will lead him to more opportunity and happiness.

BRIDGE suggests:

1. that you mark and use the ideas which attract you.
2. that you adapt them to conversation, pay inserts, circulars, blotters, posters, and house organs.
3. that illustrations be reproduced by tracing, photo-offset, or photo engraving.
4. that mats of Idea Exchange Features may be purchased for 30c each from BRIDGE for printing uses. (See below).
5. that each release contain full directions as to where and when credit union service is available.

Please send copies of all your publicity material to BRIDGE. Your participation in the Idea Exchange is helpful to other credit unions and sincerely appreciated.

Mats Available

Mats, from which cuts for reproduction may be economically made, are available for Idea Exchange features when so indicated beneath the feature. These cost 30 cents each. Orders should be sent, and checks made payable, to BRIDGE, Madison 1, Wisconsin.

—i.e.—

Get That Fuel in the Basement!

Not in December, or November, or October, but NOW is the time for all our members to get that fuel in the basement. If you haven't the necessary cash on hand, Victel has, and you can get your coal, or whatever fuel you burn, delivered to your home before the bad weather sets in, and you can pay for same by getting a personal loan. You spread your payments out just as if you were buying a certain amount of fuel each month. The interest charges are nominal and the loan can be quickly arranged. See the treasurer, the assistant treasurer or

the chairman of the Credit Committee for details—and please don't be caught with your fuel bin empty.—VICTEL BULLETIN, Victel Credit Union, Victoria, British Columbia.

—i.e.—

The Reason For

Some say it's native intelligence that brings people in to do business with their credit union. Others lay the blame on The Working Dollar, and all the cute things it says.

But if you really want the low-down—the real McCoy, bend an ear. It's this way:

A member—one long, long unheard from—called Mrs. Francis, the treasurer, to announce that he'd pushed his car a hundred thousand miles and that it was insisting on retirement.

"You know, Mrs. Francis," he said (in rather free translation), "I'm going to ask you people to finance this new one for me, too."

"You handled the first, a number of years ago, and I've forgotten everything about the deal except about the way I was treated by the credit union."

"So I'm going to come back to you with my second car. I don't know whether it costs me more or costs me less—the experience is worth it."—THE WORKING DOLLAR

Help Fight Inflation

Inflation cuts the value of everybody's dollar, and threatens everybody's security. Therefore it's everybody's job to help fight and beat inflation. No single group can do the job alone. Government, banking, business, and the public—each has a responsibility and each must do its part.

America's Credit Unions are doing their part. The McCall Employees' Credit Union and Credit Unions all over the country have these objectives:

To see that credit is made available to all borrowers who can increase the supply of needed goods and services.

To continue to discourage speculative borrowing or loans that will contribute to inflationary demand for goods.

To encourage thrift, regular savings deposits, and the purchase of U.S. Savings Bonds.

As an individual you can take part in the fight against inflation by adopting the following five-point program:

1. BUY only what you need now! Avoid increasing inflationary demand for goods. If you can postpone your purchase, by all means do so. If history repeats itself, your dollars will buy considerably more goods later on.

2. BORROW only for essential pur-

BFCU OCTOBER RELEASE:

BE ECONOMY MINDED

YOUR CREDIT UNION AWAITS
TO SERVE! OPEN AN ACCOUNT
TODAY AND WATCH YOUR
SAVINGS ACCUMULATE.



MEMBERS

THE BURDEN OF YOUR MISCELLANEOUS BILLS FOR SCHOOL, HEALTH, AND HOUSEHOLD EXPENSE CAN BE ALLEVIATED THROUGH A PROMPT AND CONFIDENTIAL LOAN FROM **YOUR** CREDIT UNION.

Budget Federal Credit Union

FOR ADDITIONAL INFORMATION PLEASE CONTACT TREASURER C. WM. TAYLOR,
OR MISS MILDRED B. GUTOWSKY, ASSISTANT TREASURER, ROOM 51.

Idea Exchange

poses! Loans for purposes that add to the supply of needed goods and services, help fight inflation. Loan applications for purposes that contribute to inflationary demand for goods should be postponed, unless absolutely essential.

3. **SPEND** carefully—avoid black markets! Weigh the cost of everything you buy. If you feel the price is too high and the purchase can be postponed, wait until later. Remember, every time you buy scarce goods you help send the price still higher.

4. **SAVE** regularly in a savings account! Money set aside in your savings account for your own future security is postponed spending power—dollars you are not using to bid up prices by adding to inflationary demand for goods.

5. **INVEST** regularly in U.S. Savings Bonds! Your dollars in U.S. Savings Bonds are another means of building security for your own and your family's future. And with each Bond purchase you also strike a blow at today's inflation.—**McCALL SPIRIT**

—i.e.—

Let's Be Sensible—And Safe!

Hot days may still be here when you read this, but right now is the time to give thought to your heating system. Fourth leading cause of home fires is faulty heating equipment. By repairing your heating system and putting it in good condition you immediately begin to save money on fuel bills, you enjoy more warmth and comfort, and you eliminate a fire hazard.

If you are short of ready cash with which to do the job, visit your own Credit Union, 12th floor, North, Wabash. The employee organization was established years ago to help out fellow employees in such cases as this. Transactions are inexpensive, confidential.—**Marshall Field Employees Credit Union.**

—i.e.—

Reasons To Use Your Credit Union

CONVENIENT LOCATION: Just inside the 88th Street Gate.

COURTEOUS SERVICE: New members always welcome. Loan applications willingly and courteously accepted.

JOINT ACCOUNTS: It is your privilege to have a joint account either with your wife, children, or friends.

PARTICIPATION OF DIVIDEND: All members participate in dividends on balance remaining in their accounts as of March 31st. Last year's dividend was 3 percent.

CONFIDENTIAL LOANS: All requests

for loans are held strictly confidential.

EMPLOYEE OWNED: Owned and operated by the employees of the Carnegie-Illinois Steel Corporation, South Works.

LOANS INSURED: All loans are insured against death of the borrower.

AUDITING OF BOOKS: The Supervisory Committee audits the books regularly.

DIRECTORS AND EMPLOYEES: All directors and employees of the credit union are bonded, according to law.

LIFE INSURANCE: All member shares are insured to the maximum of \$1,000.

INTEREST RATES: Interest rates on loans are 1% per month on the unpaid balance.

SAFE: Safe because the books are audited by the Auditor of the State of Illinois.

DO NOT DELAY—USE YOUR CREDIT UNION FOR ALL NEEDS. OPEN EVERY MONDAY, WEDNESDAY AND FRIDAY, 12:00 o'clock Noon to 5:30 o'clock P.M.—South Works Credit Union Topics.

—i.e.—

Stop Those Nightmares

Financing is our specialty even with complex needs. Also we suggest you stop that wishful dream time about savings, and call at your credit union with some amount however small.

We'll Take 'Em—Big And Little

Don't grin at that—time was for quite a few years when this Credit Union of yours had money just lying idle—and then we tried to persuade you not to bring any more in.

But now we've got every cent of deposits loaned—and even borrowed \$20,000 from the Gates Employees Mutual Credit Union of Denver to loan out to our members here.

So, if you have funds lying idle, why not put them in your Credit Union account and let them help this community—and help yourself to a little earning on that money.

Last two years, there's been 4% dividends!—**Sterling Community Federal Credit Union.**

—i.e.—

In Arrears, Up To Your Ears?

That's not good, what with Christmas less than four months away. Why not get straightened out in one fell swoop? You can borrow money from your own Credit Union, pay off all your bills, and have all your eggs in one convenient basket. Cost of a Credit Union loan is comparatively small; all transactions are confidential. If you need money, see Carl Bowman, Credit Union treasurer today; he'll act promptly on your request.—**Marshall Field Employees Credit Union.**

HELP SAVE *Me!*.....I'm the pennies, nickles, dimes and quarters that slip through your fingers.....



Please, save me today.....so that I may serve you tomorrow.....

THE CREDIT UNION WAY

The above is the inside spread of the Minnesota League of Credit Unions' Bizbuilder number 14.

It's Wise To Save

Save something every payday—as much as you can. Save for a rainy day, when it comes you won't get wet. If you have a substantial Savings Account you won't even get damp! By saving regularly you'll be surprised to see how quickly you can take that trip you've been looking forward to for so long, or get a start on that home of your own. Set a goal for your savings, let it be your future.

Remember—the money you don't save now is money you've lost forever! You can't call it back.—CRED-I-FACTS.

—i.e.—

Wise Men Say

¶ To be honest, to be kind, to earn a little and to spend a little less, to make a family happier for his presence—here is a task for all that a man has of fortitude and delicacy.—Robert Louis Stevenson.

¶ When a man dies, the people ask, "what property has he left behind

him?" But the angels, as they bend over his grave, inquire, "What good deeds hast thou sent on before thee?"—

¶ Every period of life had its peculiar prejudices; whoever saw old age that did not applaud the past and condemn the present times?—Montaigne

—i.e.—

Free Insurance For Members

Here is the wonderful news that was announced at the Annual Meeting of the Enro Shirt Company Employees Credit Union. We have taken out Insurance Policies covering the Share accounts and Loans of every member of our Credit Union, the entire cost of which is paid by the Credit Union. This is what it does for you:

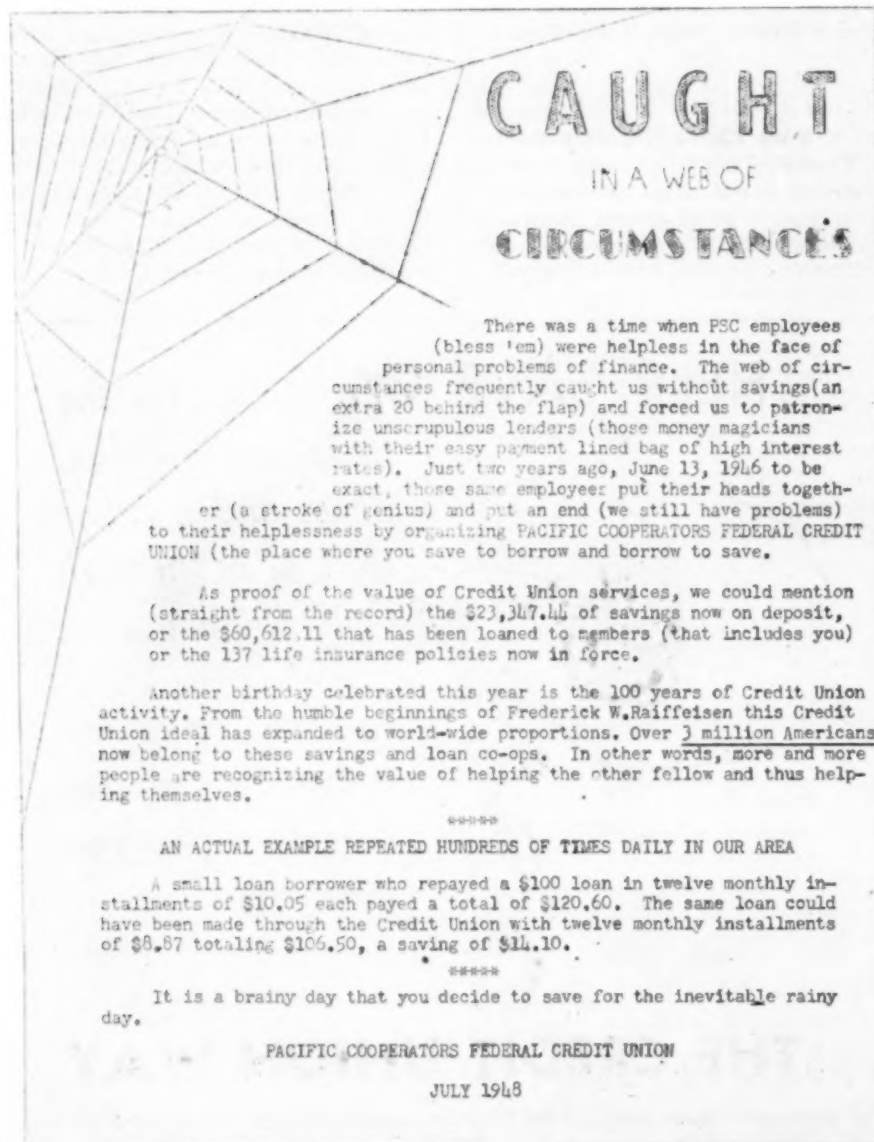
Every member of the Credit Union is insured in an amount equal to his or her Share balance up to \$1,000. If you have \$50 in your Share account, in the event of your death, your family or beneficiary will receive the \$50 in your Share account and also get a

check from the Insurance Company for \$50 more. The same thing applies on any amount that you have—if you have \$500 in your Share account your family will receive that and \$500 from the Insurance Company. If you have \$1,000 in your Share account, then your family receives \$2,000, \$1,000 from the Credit Union covering your Share account and \$1,000 additional from the Insurance Company. There is no medical examination required. Should you terminate your employment with the Enro Shirt Company, you have the privilege in an amount equal to or less than your share balance at that time (in multiples of \$200 or more only) and consistent with the conversion privileges of the master contract.

For all money saved up to the age of 55 you are covered in full. For any money that you deposit between 55 and 59, you receive 75% Insurance coverage. For all money saved between 60 and 65 you get 50% Insurance, and for all money saved between 65 and 69 you get 25% Insurance. There is no insurance coverage on deposits made by a member after he has reached age 70. For your further information, if you have saved the maximum of \$1,000 before reaching the age of 55, you are insured for \$1,000 thereafter as long as you retain that amount in the Credit Union, even though you attain older ages.

Regarding the Insurance on Loans, all Loans up to \$10,000 are covered. If you have borrowed say \$500 from the Credit Union, in the event of your death, the Insurance Company will pay off the balance due on that Loan to the Credit Union. This does not affect your Share account. Thus, if you owe the Credit Union \$500 and you have \$500 in your Share account, the Insurance company will pay the Credit Union the \$500 that you owe them and \$500 more to cover your Share account. In addition to that, your family or beneficiary will receive the \$500 that you have saved up in the Credit Union, which means a total of \$1,500 altogether. The Loan Insurance not only covers you in the event of death but also in case of Total Disability. The Life Insurance on Loans ceases at age of 70 and Total Disability at age 60.

Remember, you receive the benefit of all of this Insurance without paying a single cent for it and your Credit Union pays the entire cost. How about joining your Credit Union, which is now beginning its 15th year of successful operations, and taking advantage of all the services that it offers you? See Norvin Pohlman, The Secretary Treasurer, or Steve Brody, the President, right away.—ENROZETTE.



CAUGHT IN A WEB OF CIRCUMSTANCES

There was a time when PSC employees (bless 'em) were helpless in the face of personal problems of finance. The web of circumstances frequently caught us without savings (an extra 20 behind the flap) and forced us to patronize unscrupulous lenders (those money magicians with their easy payment lined bag of high interest rates). Just two years ago, June 13, 1946 to be exact, those same employees put their heads together (a stroke of genius) and put an end (we still have problems) to their helplessness by organizing PACIFIC COOPERATORS FEDERAL CREDIT UNION (the place where you save to borrow and borrow to save).

As proof of the value of Credit Union services, we could mention (straight from the record) the \$23,347.44 of savings now on deposit, or the \$60,612.11 that has been loaned to members (that includes you) or the 137 life insurance policies now in force.

Another birthday celebrated this year is the 100 years of Credit Union activity. From the humble beginnings of Frederick W. Raiffeisen this Credit Union ideal has expanded to world-wide proportions. Over 3 million Americans now belong to these savings and loan co-ops. In other words, more and more people are recognizing the value of helping the other fellow and thus helping themselves.

AN ACTUAL EXAMPLE REPEATED HUNDREDS OF TIMES DAILY IN OUR AREA

A small loan borrower who repayed a \$100 loan in twelve monthly installments of \$10.05 each paid a total of \$120.60. The same loan could have been made through the Credit Union with twelve monthly installments of \$8.87 totaling \$106.50, a saving of \$14.10.

It is a brainy day that you decide to save for the inevitable rainy day.

PACIFIC COOPERATORS FEDERAL CREDIT UNION

JULY 1948

Idea Exchange

Interest on Loans

Our interest rate charged on loans is one per cent per month on unpaid balances. For instance, \$100.00 borrowed and paid back in 12 monthly payments costs approximately \$6.50. We suggest you compare this with any other loaning agency in the city.

ONE CHARGE ONLY

There is absolutely only one charge made in connection with our loans, the interest. Nothing else is added. We urge you to compare this feature with other types of financing arrangements, particularly the buying on time of consumer goods. Remember our loan insurance is free.—*Detroit Newspaper Industrial Credit Union.*

—i.e.—

Loan Protection

Loan protection is insurance whereby your credit union is guaranteed against loss incident to the death up to age 70 or total and permanent disability of a borrowing member up to age 60.

WHAT IT MEANS TO YOU!

To you personally this means that your family, your co-maker and your savings are protected. Should one of our members die or become permanently disabled while owing the credit union a loan, the Cuna Mutual Insurance Society will pay off the balance of this loan together with accrued interest, and thus relieve the borrower's family of further responsibility.

Your credit union is one of the 4400 credit unions that enjoy loan protection insurance. It pays to do business the credit union way.—*THE CREDITEER of the American Blower Credit Union.*

—i.e.—

Do Your Problems Seem Insurmountable?

Credit . . . credit is often the key which opens the door to opportunity. It is the element on which many a successful career has been based. To borrow is often the thrifty thing to do. The difficulty is that prior to the advent of credit unions, no agency existed which would take a constructive interest in the problems of the small borrower. Everyone who came to advise him had something to sell him. The credit union seeks only to serve him as one of the members to whom the credit union belongs. The credit committee is a personal department of the credit union; it has the member's interest at heart and seeks only to perform for him a good service. The credit union serves those who need credit at reasonable rates.—*CREDIT UNION COURIER.*

Life Insurance

Leaflets for the three types of insurance can now be obtained from your Credit Union directors or at the Credit Union office.

The three types are:

1. Ordinary Life
2. Renewable Term
3. Single Premium Decreasing Term.

Auto insurance also available thru your Credit Union.—*CREDIT UNION NEWS.*

—i.e.—

Good Business

Your credit union does not encourage needless borrowing, but most working people need extra cash at various times to help them out of difficult spots. Borrowing money does not

mean that you are broke, it is just good business to take advantage of bargains even if you have to borrow for a short time.—*ELGIN CREDIT UNION NEWS.*

—i.e.—

Q + A = Knowledge

Q. 10—Is my loan covered for life in my credit union?

A. 10—Your loan balance is covered until you attain the age of 70. Then coverage ceases.

By the time you reach 70, we hope you have reached the stage where you have been saving for a while and haven't needed to borrow.

Budget your income to take care of this.



A Moving Display Used By Electrolux FCU

Mr. Benjamin P. Richardson, Clerk of the Electrolux Federal Credit Union sends the following idea:

The picture above is of our credit union exhibit, displayed at "Open House" at the Electrolux Factory last month which may be of interest to you.

The scene depicts the struggling member on the rough financial sea (air blowing under the dark blue cloth makes it billow and wave), with loan sharks in the vicinity, being guided to a safe port by the credit union (flashing red letters) lighthouse.

The color scheme was striking with dark blue sea, light blue backdrop, dark red 1" thick letters spelling credit union, white lighthouse and boat sides, and gold side tapes and top drape.

The signs tell the state of our credit union—over 1/3 million savings by 1,450 members, and \$85,700 in loans at the present time.

This exhibit was one among many to tell our families and friends at our Open House of what makes Electrolux "Electrolux."



July Let-Down? Not This Year

By W. B. Tenney

Assistant Director of Organization

ALTHOUGH July is reputed to be a slow month in credit union affairs, the 79 new credit unions reported by 30 states and provinces in July this year was quite the opposite. It was 15 greater than last month and 26 more than July, 1947. Ontario was out in front with 8 reported. Illinois was close behind with 7; followed by New York with 6, Texas with 5 and California, Georgia and British Columbia tied with 4 each. The one-or-more-each-month club membership remained the same, with California, New York, Ohio, Pennsylvania and Texas each clearing the most recent hurdle in the path to a perfect year.

During the first seven months of 1948 there have been 489 new credit unions reported. This is considerably better than the 368 for the same months of 1947. Continuing this rate of increase throughout the remainder of the year will surely enable us to show a pleasing net gain in the number of existing credit unions instead of net loss as has been the case the past few years. Illinois leads the way for the seven months with 47. California is second with 39. New York is third with 33. Ontario is fourth with 28, followed by Ohio and Pennsylvania with 23 each. The combined total of these six leagues is 40% of the total for all leagues. Certainly they deserve congratulations for their work.

1000 New Credit Union Drive

Three months of the drive period (May 1, 1948 to April 30, 1949) have gone and the total of new credit unions reported is 190. True, we are still below our quota, but the total is 44 better than during the same months last year, and 53 more than in 1946. Just a little more effort by each of us and we will hit our stride and have 80 to 100 new credit unions each month as we did before the war. District quotas, as shown below, have been adopted. League quotas will be established following the Executive Committee meeting in August. Standings of Districts and Leagues as of July 31 are as follows:

CANADIAN DISTRICT

Quota 155; 22 Organized or 14 percent of quota.

Alberta 5; British Columbia 4; Manitoba 0; New Brunswick 0; Newfoundland 0; Nova Scotia 0; Ontario 11; Prince Edward Island 1; Quebec 0; Saskatchewan 1.

NORTHEASTERN DISTRICT

Quota 115; 28 organized, or 24 percent of quota.

Connecticut 4; Maine 1; Massachusetts 2; New Hampshire 0; New York 15; Rhode Island 3; Vermont 3.

EASTERN DISTRICT

Quota 165; 30 organized, or 18 percent of quota.

Delaware 0; District of Columbia 4; Maryland 3; New Jersey 2; Ohio 10; Pennsylvania 7; Virginia 0; West Virginia 4.

CENTRAL DISTRICT

Quota 150; 30 organized, or 20 percent of quota.

Illinois 18; Indiana 1; Michigan 9; Wisconsin 2.

MIDWESTERN DISTRICT

Quota 105; 16 organized, or 15 percent of quota.

Iowa 3; Kansas 1; Minnesota 2; Missouri 9; Nebraska 0; North Dakota 0; South Dakota 1.

SOUTHERN DISTRICT

Quota 185; 38 organized, or 21 percent of quota.

Alabama 1; Arkansas 1; British South America 0; British West Indies 4; Canal Zone 0; Florida 4; Georgia 4; Kentucky 0; Louisiana 5; Mississippi 1; North Carolina 2; Oklahoma 2; Puerto Rico 4; South Carolina 0; Tennessee 0; Texas 10.

WESTERN DISTRICT

Quota 125; 26 organized, or 21 percent of quota.

Arizona 0; California 13; Colorado 1; Hawaii 0; Idaho 3; Montana 1; Nevada 0; New Mexico 0; Oregon 0; Philippine Islands 0; Utah 2; Washington 6; Wyoming 0.

Volunteer Organizers' Contest

Two new contestants entered the contest during July, and 4 more new credit unions were reported. The new entrants are: Wellington A. Hinze, of Escanaba, Michigan, and Harry A. Davis, of Houston, Texas. The contest runs from March 1, 1948 to February 28, 1949. Although five months have

gone, and the contestants entered have a little head start, any volunteer can enter and still win. Names and standings of contestants as of July 31 are:

Wilbur Richards, Ohio, 4.

Marion Gregory, Ill., 4.

Wellington Hinze, Mich., 3.

Frank Keinz, N.Y., 2.

Hugh Stout, Ore., 1.

Verner Porath, Pa., 1.

Charles Crane, W. Va., none reported.

Ernie Ludwig, Jr., Ill., none reported.

Harry Davis, Texas, none reported.

To enter the contest follow these simple rules:

1—Send a letter to Mr. T. W. Doig, Managing Director Credit Union National Association, Madison 1, Wisconsin, advising him of your intention to enter the contest.

2—Soon after the organization of each new credit union you form, advise Mr. Doig of your success.

3—On or before March 31, 1949 (next year), send Mr. Doig a complete list of the credit unions you have organized within the contest period.

The organization and Education Department of CUNA will be glad to send upon request a free Volunteer Organizers' Kit of useful literature and organization procedure to help you. Send for it now and enter the contest at the same time.



Founders Club

New Members

Since our last report the following new members have been admitted to the Founders' Club:

Archie Randell, Toledo Auto Lite

Federal Credit Union, Toledo, Ohio.

Jack Lanier, Little Chappapeela Credit Union, Amite, Louisiana.

Harold Anderson, Orlando Postal Credit Union, Orlando, Florida.

Argo V. Peek, Lubbock City Federal Credit Union, Lubbock, Texas.

P. N. Davis, Frisco Ry. Texas Employees Credit Union, Fort Worth, Texas.

Mrs. Pearl I. Pond, Fred Meyer Employees Federal Credit Union, Portland, Oregon.

A. J. Gulley, Oregonian Employees Federal Credit Union, Portland, Oregon.

Miss Genevieve Thomas, Oregon Central Credit Union, Portland, Oregon.

Edgar L. Fontaine, League Central Credit Union, New Orleans, Louisiana.

Oppie I. King, Clearwater Old Fort Employees Credit Union, Old Fort, North Carolina.

Mrs. Anna Francis, Knight & Wall Employees Credit Union, Tampa, Florida.

John Wahl, Rohm & Haas Employees Federal Credit Union, Philadelphia, Pennsylvania.

Stuart Gould, Cooperators Credit Union, San Francisco, California.

A. W. Briggs, KC Santa Fe Credit Union, Kansas City, Missouri.

Robert J. Gunnis, State Central Credit Union, Milwaukee, Wisconsin.

Wm. A. Clark, A. O. Smith Credit Union, Milwaukee, Wisconsin.

Miss Josephine Keagy, St. Louis ILGWU Federal Credit Union, St. Louis, Missouri.

Wm. Campbell, C. G. Credit Union, New Westminster, British Columbia.

Marlin J. Dean, Pittsburgh Region Greyhound Employees Credit Union, Pittsburgh, Pennsylvania.

Martin Dunn, Colum Federal Credit Union, Philadelphia, Pennsylvania.

Joseph C. Sinclair, California State Employees Credit Union No. 17, San Diego, California.

Robert E. Beswick, Antioch Fibre-board Credit Union, Antioch, California.

Donovan C. Brownfield, Postal Employees Credit Union, San Bernardino, California.

Willis Coates, Peninsula Postal Credit Union, San Jose, California.

O. C. Gilbertson, Central Credit Union of California, Oakland, California.

Jess Patton, Fiscal Employees Credit Union, Los Angeles, California.

Edwin Condell, Railway Employees Credit Union, San Francisco, California.

Round About

John Eidam, the first vice-president of Cuna resigned from the Farm Credit Administration at Omaha, Nebraska, as of July 1, and accepted a position in charge of membership relations and public relations with the Westcentral Cooperative Grain Company, which is a federation of 180 local farmers cooperative elevator companies in Nebraska, Iowa, Colorado, South Dakota, Wyoming, and Kansas.

Clarence Oldham reports the death of Walter S. Campbell, member of the Cuna Executive Committee in 1941, and Executive for the Indiana Gas and Water Co., Indianapolis, Indiana.

Agnes Gartland, managing director of the Massachusetts Cuna Association, reports that the French speaking federation of credit unions in Quebec have 1053 credit unions as members with 201 million in assets.

The Lake View Credit Union of British Columbia report 128 Junior members in 1947 with average savings of \$37 in the credit union.

The New York Post (of New York City) carried a feature story on credit unions by its columnist Dorothy Norman under the title "A World to Live In" featuring the human service rendered by the Henry Street Settlement Federal Credit Union.

J. Arthur McCall, representative of the Missouri Credit Union League passed away on June 29. Art participated in the meeting of the National Association of Managing-Directors in May. He is survived by his widow, daughter, and son.

Melvin H. Wideman reported the national meetings of Cuna by film to the Maryland credit union people.

The pictures show his travels by air to Madison, scenes of the meetings, the national headquarters building, the sight for Filene House, and the proposed structure as pictured by the architect.

The visual story is a medium to pass on clear conceptions and is a new step in making the leaders and members more thoroughly informed and able to participate in national credit union affairs.

The average credit union share balance in Saskatchewan grew from \$5000 in 1942 to \$63,000 in 1946.

The R. A. Employees Federal Credit Union at Oakridge, Tennessee was organized, but in a round about way. The manager of the Roane-Anderson firm delegated two assistants to find out how to organize a credit union. One assistant knew somebody in Kansas City that knew about credit unions. The inquiry began by phone, next it was referred to Lee O'Brien the managing director of the Missouri Credit

Union League. From O'Brien it was relayed to Bill Tenney of the organizational department of Cuna. Roane-Anderson was informed of the Oak Ridge Gov't Emp. F.C.U. (Atomic energy employees) almost at their doorstep, and with their aid arrangements were made to apply for a charter.

The Jamaica Credit Union League featured the women's role at their annual league meeting. The subjects presented on this phase were: The Lady Treasurer in Action, The Credit Union and the Home, and The Lady Committee Member.

A \$1,150 pie was the feature attraction of the Reno Co-op Federal Credit Union annual meeting here recently.

Member A. M. Davis bid that amount for his wife's pie, which was one of 31 auctioned off at the meeting for a total of \$10,295.

The money bid on the pies was entered in the share accounts of the bidders, so Mr. Davis got a \$1,150 pie for nothing through his credit union.

Over 1200 credit unioners registered during the 14th annual meeting of the Ohio Credit Union League this year. During the convention 4 public service radio programs were sponsored by the Cleveland credit unions for 15 minutes each.

An idea for getting active new board and committee members has been used with some success by a credit union in Hamilton, Ontario. Through their bulletin they regularly invite all interested members to attend board meetings. By seeing the board in action and being permitted some degree of participation they arouse greater interest on the part of some individuals and they become potential board members already equipped with some experience.

The credit committee report of the Stelco Employees Credit Union has this remark, "The wide range of reasons for loans might be illustrated by the fact that on one page of minutes we have loans for a birth, engagement ring, marriage, and burial expense (Hatch, Catch, Match, Despatch).

Del C. Halfhill, Publicity Director for the West Virginia Credit Union League wants to exchange publications with other credit unions. His address is P. O. Box 82, Dunbar, West Virginia.

100 Charter Minimum

CLAUDE R. ORCHARD, director of the Bureau of Federal Credit Union, announced that application for charters by groups of 100 or more would be considered whenever it appears they qualify under the law and have a fair chance to operate successfully.

Formula For Progress

SPEAKING at the opening of the Nova Scotia Credit Union League meeting Msgr. M. M. Coady urged the delegates to "decide what you are going to do and when you have decided, be loyal to all things that we know are necessary in building a great civilization here."

"Patriotism is what we need; a consciousness of a great destiny and a noble pride that as God gave us great heritage we are going to be smart enough to hold up our end of it before the world."

"Twenty years ago nobody in this part of the world knew anything about the credit union. Today it is a great factor in the lives of the people. They sought, they studied and they found. They reached for life and they discovered that it was there for the taking."

He suggested in four parts the following formula:

1. We must and will progress. There is no way for us to build a great civilization here if our people have not the vision to see the possibilities of it and the ambition to achieve it. There are three attitudes of mind that are against such progress.

First, there is the 'no good' person who is against everything from pure ignorance.

Second, there is the person who is not against things but just has no ambition to achieve anything in this world. The great events in the lives of these people is that they were born and they are going to die.

Lastly there is the type of person—a noisy yet influential minority, who are against progress because they are wedded to the status quo. They are devotees of things as they are on account of financial, political or social reasons. The world as it is has been good to them and they don't want to lose their privileges.

In this small minority, as everybody knows, are groups of professional and socially prominent people. The world as it is, is the right world. We just must fight this type of mentality. The first essential, therefore, of progress, is a sincere analysis of our attitude of mind.

The second factor, and the greatest of all factors, in bringing about the progress of our country is that we should go scientific. That is a big way of saying that we should use our common sense. The success of an individual or a nation, in other words, will be result of planning. Nothing worth while without planning whether that was intentional or merely accidental.

If the people are going to be sloppy in their thinking, then their vocations

will not give them the good life. There is all the difference in the world between carrying on these 'things in a scientific way founded on precise knowledge and carrying them on in a traditional unscientific way.

The degree of our future progress, therefore, will be measured by our will to discipline ourselves into a certain amount of adult study each year. . . .

The last great factor in these provinces is to decide once and for all that we are going to stay here and fight out the battle of life here. You coal miners and steelworkers will have to say that you will stay here, that you are going to build the finest industrial communities in the world. You fishermen and farmers will have to say with terrible sincerity that you have definitely decided to fight it out right here.

We need twice as many people as we have if we are going to build a great civilization. My message to the people of eastern Canada is: come off the fence of indecision. Decide what you are going to do and when you have decided be loyal to all the things that we know are necessary to build a great civilization here. Patriotism is what we need here. A consciousness of a great destiny and a noble pride that as God gave us a great heritage we are going to be smart enough to hold up our end of it before the world.—THE MARITIME CO-OPERATOR

Life Giving Food

TODAY, people are still hungry in Europe.

It will be a year and a half before ERP will begin to supplement the dinners of potatoes and warm water.

CARE is trying to get as much life-giving food to as many people as quickly as possible. CARE was set up by more than two dozen humanitarian

groups. Because it is non-profit and because it buys and ships in such tremendous quantities it can send more for \$10! CARE has shipped more than five million packages in the last two years. With that experience it has become more efficient; and has now cut delivery time to four weeks (sometimes to eight days)!

CARE has representatives all over the world. They keep us abreast of the changing conditions as well as guarantee the arrival of your packages. CARE packages, everywhere, are duty free and ration free.

CARE Packages Appreciated

"Yesterday my husband, who is an unabled soldier and sick for more than five years got the information that he is allowed to fetch an American CARE package. Immediately I myself went for the parcel because they told us it was a heavy one and my husband could not have carried it home. When I came home the whole family unpacked the parcel and Sir it was like Christmas Eve. You cannot imagine how glad we all were, when we saw the many wonderful things we have not eaten—not even seen—for many years. We cried out of joy and my mother-in-law, and old lady who is always ill, only repeated the words, 'God bless the good men who gave us all those things, God bless them.'"

"For many days I must not have the sorrow to feed my poor family because your package arrived. I am an old woman of nearly seventy and I lost all I possessed by the bombs. I cannot say how I bore these years when we were often on the point to die of hunger. Only the sorrow for my children caused me to live on. Your parcel is the greatest joy I have had since years."

ALL CARE packages are \$10.00 each. Order through CARE, 50 Broad Street, New York 4, New York.

Inflation Evasion

Consumer Credit is Minor Matter

CONTROLLING CONSUMER CREDIT is a flimsy evasion; there is more than three times as much bank credit outstanding, and more than twenty times as much in government debt, says the Economic Newsletter of the Cooperative League (Dec.).

Bank credit, which increased from 18 billion in 1942 to 38 billion in 1947, and the government debt, which increased from 65 billion to 259 billion in the same period are the main factors in our inflation, the Newsletter asserts. Consumer credit advanced from 5 billion to 11 billion and makes up less than 4 per cent of the total.—Cooperative News Service.

"LIFTING AS WE CLIMB"

"Lifting as we climb?" Ah, yes!
'Tis nature's sure decree.
Lifts not the rising sap the bud,
The climbing moon the sea?

Look yonder high on mountain side
Those climbers scaling cliffs,
Strong bands combine the group as
one;
Each man his comrade lifts.

So we! Attached to human life
By bands far more divine,
Will share its trials and its hopes
By "lifting as we climb."

—Author Unknown.

A Man Was In Trouble

A MAN WAS IN TROUBLE. Illness in the family, a bit of bad luck here and there, income problems—the all too common trouble of too many bills, and not enough money to meet them. A little deeper each month.

Harried and pushed, the man finally took his story to his credit union. The credit union loaned him \$300. That was enough to let him pull himself together and get rid of the creditors who had been shoving him around. The date was the 16th of January, in 1942.

Paying the note was tough. He did his best, but almost four years later more than two-thirds of it remained to be cleared away. During '46 and '47 payments were small, barely enough to keep up with the interest, with a little extra now and then, and all of it was sent in by his wife.

All of this time the credit union had tried to keep contact—had kept on a gentle pressure, because a man ought not to be paying interest, not even credit union interest, that long.

Finally the wife called the treasurer, Mrs. Francis, and explained that since December of 1945 the borrower had been completely disabled from illness, and that for two years she had been sending in money she had been earning as a night worker in a restaurant. By such means she had reduced the loan to a bit less than half of the original amount.

Chagrined that the credit union's member education program had so completely failed to tell the story of loan insurance, Mrs. Francis told her to make application for insurance payment of the loan, and to stop all payments at once.

The problem was complicated, as the doctor who had first cared for the ailing member had died. But papers were finally submitted to the Cuna Mutual Society, and on June 3, 1948 a check was received in the amount of \$206.43. The note was thus paid in full.

But that is not the whole story. There were two years of over-payments to return, \$105 in all, of which \$40.34 was interest. So in June of 1948, six and a half years after the loan was made, the man who was in trouble found himself better than \$100 in the black instead of more than \$200 in the red.

These events (told here with permission of the member) led the Board of Directors of the credit union to a clear statement of policies:

1. That loan insurance is taken out by the credit union primarily for the protection of the borrower.

2. That the credit union's officers

are responsible if the members do not understand the nature of credit union services.

3. That for the reasons given above, interest as well as principal is returnable in case of payments continued past the date of death or disability.

—THE WORKING DOLLAR

Could Be

She: "I simply can't make out the new neighbors. They have no car, no record player, no radio. She hasn't any jewelry worth while and no decent furs."

He: "They probably have some money."

Better Buying Guide

THE MOST HELPFUL CATALOG ever issued by Cuna Supply Cooperative—the 1948, Credit Union Centennial Catalog—will be in the mails to all credit unions early in September. It will have 32 pages, 8½ by 11 inches, all profusely illustrated.

Cuts are used to show all the principal operating forms now in stock; all the posters, flyers, inserts, blotters; many of the leaflets and pamphlets; and many of the operating supplies. Detailed information and specifications are also given in the running copy.

"We have long felt the need of such a catalog," comments B. F. Beales, Cuna Supply manager, "and this seems to be a real milestone in our history. We know that improvements can still be made—many of them—and we welcome suggestions to help us make them. But this catalog is much closer to being what we'd like to issue than any previous one. We hope and believe that it will help credit unions get more help in the operation and promotion of their credit unions from the supply service they provide themselves through their leagues."

What, Oh What, To Do

¶ Get Life Savings insurance circulars from Cuna Mutual Insurance Society for distribution to each director if your credit union is without this plan and place the subject on the directors' meeting agenda.

¶ Attend your chapter meeting with the full force of your directors and committeemen.

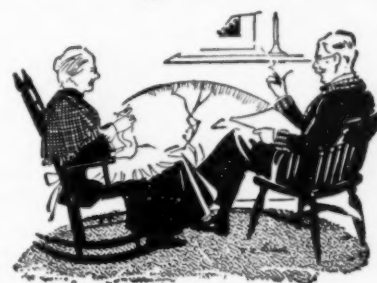
¶ Inquire of other credit union representatives about annual meeting ideas, and order copies of "Let's Hold

Better Annual Meetings" (24 page pamphlet) from your league supply department or Cuna Supply Cooperative at 10c each.

¶ In December members feel the need of extra savings. It's a good time to inaugurate Christmas Savings Clubs or other savings emphasis. Note sample Christmas Savings Clubs forms in your Cuna Supply Catalog and start plans for a 1949 thrift campaign in December.

¶ Order poster display units from Cuna Supply Cooperative.

Once Upon A Time



5 Years Ago In The Bridge

¶ The first membership drive was launched. The goal was 500,000.

¶ The story "We Organized a Parish Credit Union" by Richard T. Lagerman still reads like a modern "How to Do It" story.

¶ An inviting welcome letter to new employees is found on page 208. (It it maybe will to raise the question of what we are doing now to invite new employees to join the credit union).

¶ National - Bellas - Hess advertisements mention the service of the credit unions as one advantage in their help wanted copy.

10 Years Ago In The Bridge

¶ A short story . . . "One employee with wife and four children owed 13 accounts, most of them past due, a total of \$213. A loan was made by the credit union, all bills were paid and family peace and harmony restored."

¶ J. Orrin Shipe was a director at large of the New York State Credit Union League.

20 Years Ago In The Bridge

¶ The Founders Club was announced as an informed association. Every credit union member is eligible to membership, who has organized a credit union since January 1, 1928 other than the credit union to which he belongs.

¶ Twenty-eight credit unions organized in 16 states.

¶ Recruit month announced seeking to get a minimum of 50 credit unions in 10 states and to organize them into leagues.

"Precise In Promise-Keeping"

By RUTH TAYLOR

In the Trades and Labor Congress Journal

Far too much of the trouble in the world today is due to the fact that promise-keeping has gone out of fashion. Whether it be the international situation, national problems, labor-management relations or just our own particular personal difficulties this truth applies to every crisis with which we are confronted.

We seem to have forgotten the old adage that debts of honor are debts that must be paid in full. As long as a promise is not couched in legal phraseology and made binding by the courts, we treat it far too lightly.

Seekers after votes and favors have given promises too carelessly and too freely, thinking that when the time came, they could get out of fulfilling their share of the bargain. We, equally guilty, have in turn accepted promises at their face value that, had we thought about it, we would have known the givers had no intention of keeping—and that could not be enforced.

No one knows this more clearly than those in the organized labor movement. It takes two to make a contract—but it also needs two to keep it. No matter how trivial the matter with which it deals we must keep faith with our pledged word—and see to it that the other side does the same. He who seeks equity must do equity. He must come into court or before the bar of public opinion with clean hands.

We cannot expect others to honor what we do not honor. We must stop promiscuous promise-giving. We must give our word rarely—and only when we know that we will keep it. If we begin with this in our personal lives and in our personal business dealings, it will spread to our nation—for a nation is only a group of individuals banded together by common briefs and common interests. Its morality is no greater than that of its electorate.

The same is true on the international scene. Once we keep every promise we make—whether that promise be in the nature of charity or of threat, then we make ourselves secure. Because those opposing us will know that, come hell or high-water, we keep our word—and that we expect and demand the same from others.

If we do that ourselves—if we demand of those with whom we deal, with those who represent us in all councils, whether of union, state or nation—that they keep their promises, only then can we establish a firm and

safe foundation for a peaceful and prosperous world.

But—we must begin with ourselves, guarding our speech and our actions so carefully that men may say of us in Shakespeare's words—"He was ever precise in promise keeping."—THE MARITIME COOPERATOR, reprint from the Trades and Labor Congress Journal.

Puerto Rican Story

They're Chasing the Money-Lenders Out of the Temples of the Caribbean

By T. A. TENHUNE

(This story is from an article *Special to The Cooperative Builder* for July 29, 1948 telling of travels and cooperative developments in Puerto Rico).

THE CREDIT UNIONS have a very fertile field to work on. It was quite a shock to me when I heard story after story illustrating the hold that the loan sharks have had on the poor working man. It seems as though it is a standing custom here that if you borrow \$50 you pay \$5 interest every week until such time as you can also pay the \$50 at the same time. The loan shark apparently does not want any payments on the principal on the instalment plan. He would rather collect the \$5 weekly and let the principal stand. Sometimes the loan shark is "very liberal" and will make a loan on the monthly payment plan in which case the borrower pays the \$5 interest every month. In any case it is an indefinite, unending procedure unless the borrower somehow or other gets enough money to pay the principal also. One of the laborers told me that he borrowed \$50 and it took him two years to pay it and the total cost was \$520 interest besides the \$50 final payment. Another story I heard was that of a poor, working woman who earns only \$15 a week and once long ago she had borrowed \$25 and has been paying \$2.50, or 1/6 of her salary every week to the loan shark. The loan shark, by the way, stands very close to the paying window on pay day to be sure that he gets the interest payment before the borrower leaves the premises or the pay office.

And to make matters worse, many of the loan sharks are fellow employees in the factory or in the office. They obviously do not need the work but they want to be around handy to make the loan when you need it and to be at the paying window on pay day. It is because of the fact that so many of

these loan sharks are working in the factories and in the offices that it is hard to start credit unions. They seem to be a source of spreading rumors that the credit unions will fail, that money will be lost and that they do not operate efficiently, etc. But in spite of all these difficulties the credit unions are fast being organized and are coming into existence in all types of organizations. There are now 15 credit unions organized and there are 11 applications for incorporation pending.

Can You Top This

CREDIT UNIONS are known to provide a source of credit for provident or productive purposes for its members. A very forcible and clear demonstration of this comes from a credit union located in the northern part of the province.

It would appear that one of the secretary treasurers in that region is simultaneously village postmaster and Justice of the Peace. On a particular morning a good credit unionist of that district stopped to pick up his mail at the Post Office. He parked his car in front of the building and walked in. The postmaster, being a most congenial sort of a chap, made him welcome and it was a good fifteen minutes before he could leave.

Meanwhile the Mounted Police, who are always on duty, tested the gas tank of this particular car parked in front of the Post Office. The sample of gasoline taken had a purplish tint, which suggested an infraction of the law.

Therefore when the member, laden with his mail, walked out of the Post Office, he was asked to make an about-turn by the police. The postmaster suddenly became a Justice of the Peace and a magistrate. The member of a few minutes ago, now the accused, pleaded guilty, his fine and costs were \$27.50 or a jail term. He had only \$4.35 on his person; what to do? He calmly said to the judge: "Your Honor, please adjourn the court, assume your position as secretary of the Credit Union; and accept my application for a loan of \$27.50."

The court adjourned, the loan granted, court resumed, and the fine paid. This loan might not have been for a productive purpose but certainly a provident one. There may be a moral here.—THE CREDIT UNION WAY.

Be Thankful Anyway

"Thankful? What have I to be thankful for? I can't pay my bills."

"Then, man alive, be thankful you aren't one of the creditors."

Poster-a-month

A bright new credit union poster each month, seasonal or otherwise timely, sent directly to you.

This new, much needed subscription service is being inaugurated by Cuna Supply this fall. We plan to mail the first poster, to reach charter subscribers by the first of October.

Each new poster will be a strong boost for some phase of your credit union program. You will be proud to have them represent your credit union.

The cost of this special service is low, so that you can afford to subscribe for one for every available space—and you'll probably find some spaces that you had not realized were available. The more you use the stronger the impression each will make.

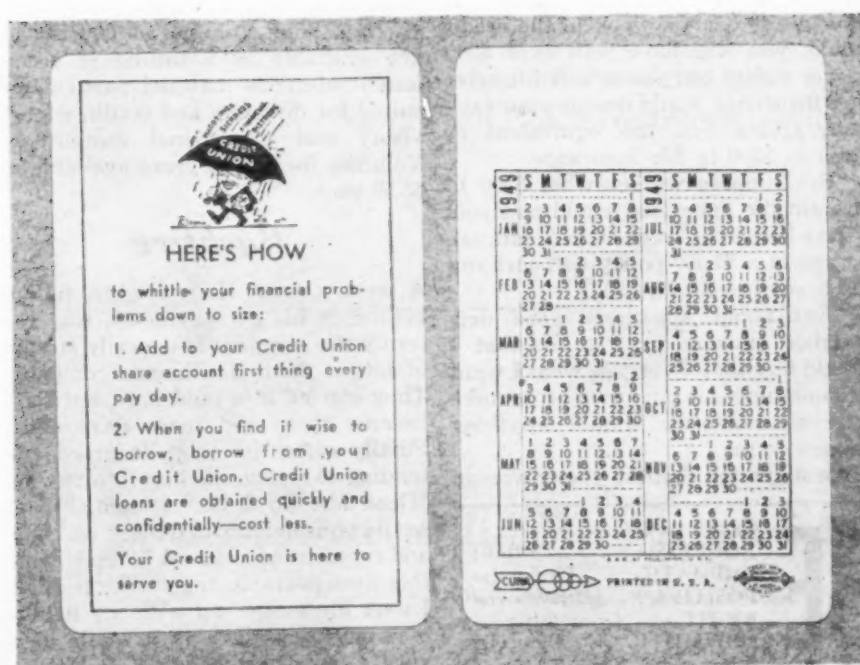
An annual subscription for a single poster each month is \$2.50 less 20% to member credit unions in U. S. Subscriptions for additional posters to same address for \$1.25 each less same discount.

Single issues may be obtained for 25c for one copy; 12½c for each additional copy shipped at same time to same address, less member discount.

Send orders to

Cuna Supply Cooperative

Madison 1, Wisconsin



Here It Is!

1949 Pocket Calendar

(Actual size 2¼ by 3½ inches)

Each year these pocket calendars grow more popular than ever. Use them generously to advertise your credit union all year—to flash your message strongly, frequently. \$1.25 per 100 less 20% to member credit unions in U. S., plus imprint charge if any. Space above calendar for your imprint. (If you wish imprint—about four lines of type—add the following amounts, all net: For 100, \$1.90; for 250, \$2.25; for 500, \$2.75; for 1,000, \$3.70; for 2,000, \$5.10; 5,000, \$10.)

From your league if it has supply department or

Cuna Supply Cooperative

Madison 1, Wisconsin

In Canada: 436 Lister Building, Hamilton, Ontario

The Way I See It

(Continued from page 2)

A low interest rate to borrowers of large amounts is just as unreasonable as a low dividend rate to depositors of larger amounts.

In general, reduced interest rates do not increase business volume, and the average credit union cannot afford to reduce its interest charge.

I believe credit unions should maintain an interest charge of 1% a month on the unpaid balances (except on real estate loans), unless it is deemed necessary and advisable to establish a lower rate which would apply on all loans and all borrowers alike.

Directors should note that at the recent meeting of the National Board of Directors and the meeting of the NAMD (National Association of Managing-Directors) voted resolutions recommending this policy regarding rates of interest.

Protect Farm Family

BY ALPHONSUS DIEMER

There are many reasons why farmers lose their farms. But one reason is often the lack of ready cash when it is needed.

Ownership gives the farmer real control over his source of livelihood and frees him from dependence on the good will of an absentee owner or employer.

There is plenty of money in most farming communities to do the job, either in the form of bank savings or carelessly-spent money that should be saved. But this money must be organized. It must be available to the man who needs it, when he needs it.

When a farmer has savings in the bank, it is available only to himself. Usually one farmer alone hasn't enough savings to help a hard-pressed neighbor, even if he tried. But, if all the savings of individual farmers in a community are pooled in a Credit Union, there will be ready cash available to any owner in danger of losing his farm.

The mortgage-ridden farmer can ward off threatening foreclosure by refinancing with the Credit Union where he will find neighborly reasonableness in fixing and enforcing repayment dates.

The farmer who is in debt, and who is going deeper in debt every year because he has not the cash necessary to increase the productivity of his farm, can get a loan to purchase improved seed or livestock or feeds—anything that will increase his income.

The farmer who has been struggling along in the miserable role of tenant or share-cropper can get the loan that

will raise him to the dignity and security of ownership of the land he works.

The bridegroom who wants to get started on a farm of his own can do so without putting himself in the power of unsympathetic money-lenders, provided he could convince the money-lenders in the first place he was a good enough risk to get a loan at all.

A group of farmers who want to extend their ownership and control of property through co-operative processing and distributing facilities can make use of the money-saving encouragement found in a Credit Union to get together the necessary capital.

In a view of these points, it is plain that a flourishing Credit Union can provide both the short-term and long-term credit, with the considerate flexibility of repayment, that farmers need to help them keep their farms. Here is protection for your farm ownership, ready for the using by all who are willing to make the effort. It is simply another of those unique services for the individual that can be enjoyed only when individuals work together as a group.—ONTARIO CREDIT UNION LEAGUE NEWS

Gets More Protection

THE YOUNG WOMAN had just joined the Credit Union. I had helped her to complete the application form, went on to explain life-savings and loan insurance, mentioned other CUNA policies.

"I intend to take an insurance policy. The agent is coming to-morrow. I am to pay 40 cents a week for a \$500 policy."

"Forty cents, multiplied by fifty-two weeks, comes to \$20.80. I suppose that is for an endowment policy. If you put 40 cents a week in the credit union, you will have well over \$200 at the end of ten years, and life-savings insurance would double your savings, giving you the equivalent of close to \$500 in life insurance.

"But suppose we see what \$500 in straight life insurance would cost you, if you bought it from CUNA Mutual. At age 21 a \$1,000 policy will cost you \$14 a year, or \$7 for \$500."

"Just about one-third!" the new member exclaimed. "I think that I should buy that. After all, what I want is something for my mother to take care of expenses, should anything happen to me."

We suggested that the young woman

BE

BRIEF . . . Politely
AGGRESSIVE . . . Tactfully
EMPHATIC . . . Pleasantly
POSITIVE . . . Diplomatically
RIGHT . . . Graciously
OPTIMISTIC . . . Knowingly

bring along her check next week, offered to have a note to Gordon Smith in Hamilton all ready for her.

How many people in our Credit Unions are paying more than they need to pay for insurance? Aren't we missing a bet, if we don't set up Insurance Committees that work?—ONTARIO CREDIT UNION NEWS

Still Very Flush?

BUSINESS WEEK uses the headline "Consumers Still Very Flush" in the August 21 issue.

It states that 2/3 of spending units were able to save \$25 billion, and one-quarter dis-saved \$11 billion.

The biggest savings (79%) were however from the group with incomes over \$5000.

It seems evident that the encouragement of small regular thrift is a very important service to many average people.

Operating Aids

¶ To aid with Centennial month promotions are the Centennial posters and stamps (see THE BRIDGE, April, page 21).

¶ Poster "Tackle Any Financial Problem thru your Credit Union." Ed. 616 (See THE BRIDGE, February, page 6).

¶ Leaflet "How to Finance Your Automobile." Ed. 49. (See THE BRIDGE, May, page 23). \$1.10 per hundred less member discount in U.S.A.

¶ Free leaflet, "The Story of Mary and John," on the family benefits from the credit union Life Savings insurance protection from Cuna Mutual Insurance Society.

¶ Free poster, "Matched \$ for \$. You Save—We Provide the Insurance," from Cuna Mutual Insurance Society.

¶ The Bound Volumes of THE BRIDGE are available as a source of credit union reference material particularly suited for directors and credit, supervisory and educational committees. Volumes for recent years available at \$3.50 each.

Backfire

A WELL KNOWN Hollywoodite, falling behind in his car payments, was recently the recipient of a steady stream of letters from his finance company. They started in a mild tone, but soon became more and more demanding. Finally came the coup de grace, intending to shame the guy into paying. "Dear Mr. So & So," it said, "What would your neighbors think if we came and repossessed your car?" Back came this unanswerable reply: "Dear Sirs: I took the matter up with my neighbors and they all think it would be a very lousy trick."—TIDE

Your Credit Union Selects

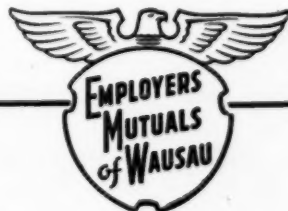
The Insurance Advisor

In The Cuna Automobile Insurance Program

To Serve Your Members:

- Unbiased Counsel** in the best interests of the member.
- Information** on coverages available, and the added values developed in the Cuna Automobile Insurance Program.
- Immediate Protection Availability** for the convenience of the new car buyer or owner.

For further information write Cuna or
our Credit Union Insurance Department.



Employers Mutual Liability Insurance Company of Wisconsin

Home Office: Wausau, Wisconsin

Credit Union Insurance Department: Appleton, Wisconsin

*"So You Don't Want
to Pay Premiums
all Your Life!"*



IF—You don't want to pay premiums all your life . . . and **I**f—you want an insurance program which contains all the advantages of Limited Payment and Endowment policies . . . then Cuna Mutual has the solution.

Cuna Mutual writes what could well be called an EXTRA-Ordinary Life Insurance policy, containing the already mentioned advantages, PLUS

a greater amount of insurance protection during the premium paying period and at a favorable premium cost comparison.

CUNA Mutual applies the highest credit union ideals to life insurance planning. Why not write CUNA Mutual today? They will be happy to suggest a life insurance program to best meet the insurance needs of you and your family.

CUNA MUTUAL INSURANCE SOCIETY

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